Vox Media Welcomes a Bidding War

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This story was originally published in On Background with Mark Stenberg, a free, weekly newsletter that explores the key themes shaping the media industry. You can sign up for it here.

On Wednesday, media scion James Murdoch joined the bidding war for Vox Media, which has in recent months signaled its openness to selling parts of its media empire.

Murdoch, the son of media tycoon Rupert Murdoch and brother to Fox Corp. and News Corp. chairman Lachlan Murdoch, expressed interest specifically in the Vox Media Podcast Network and the New York Magazine house of brands, which include The Cut, Strategist, Grub Street, Curbed, and Intelligencer. According to CNN, Murdoch's company Lupa Systems is in talks to acquire the two properties for $300 million or more.

James, unlike his brother and father, has championed left-wing causes, splitting with his family over their politics and pocketing a cool $1.1 billion in exchange for removing himself from the family trust.

As I have covered previously, the Vox Media Podcast Network is one of the most profitable and fastest-growing elements of the

Vox Media portfolio. Initial reports pegged the house of podcast brands as generating $60 million in revenue, although The New York Times on Wednesday put the number closer to $80 million.

Vox Media first suggested its podcast network was for sale last November, when Axios reported that the Vox Media board had floated the idea. Since then, a handful of suitors have expressed interest, with Versant, a spinoff company formed in January when Comcast divested its cable assets, leading the pack.

Behind the VMPN, New York Magazine is arguably the second or third-most attractive asset in the Vox Media portfolio. It generates revenues of roughly $100 million, although its high cost of production left it with only around $6 million in profit last year, according to Puck.

The storied magazine has such unflattering margins, in part, because it is funneling its top-line earnings into growing its subscriber base, which counts around 400,000 paying subscribers, according to a person familiar with business. In making a bid for the crown jewels of the Vox Media empire, Murdoch creates a more complex sales process, although one the sellers are likely happy to accommodate.

The offer immediately introduces an element of urgency to the auction, as Vox Media can now feasibly play Versant against Murdoch. As we saw in the Warner Bros. Discovery bake-off even a little competition can be instrumental in driving up the price of an asset.

Vox Media is favoring Murdoch over Versant, as the former is offering more cash than the latter, according to The Times. And while such a note could mean the end of the bidding, it could also spur Versant to up its ante.

Regardless, Vox Media is undoubtedly pleased to have at least

two public suitors for its podcast network. It now has a near guarantee that one or two of those assets will move off its books.

But that creates a few related problems.

First, both offers involve only the best assets in the Vox Media empire. Selling New York Magazine and the VMPN was never going to be the hard part. The challenge was always the rest of the portfolio, which includes everything from Eater to The Verge to The Dodo.

Second, it leaves Vox Media operating a business that it has already decided is less important than podcasting, according to a source close to the deal. Selling its core assets will leave the rest of the Vox Media business diminished. Under those circumstances, its best bet might be to sell the rest as quickly as it can.

The sale could also present another problem: Depending on the structure of its capital tables, Vox Media might not even see the bulk of the cash proceeds from the sale, according to the source.

Penske Media invested $100 million in Vox Media in 2023. Given that Penske Media was not part of a round of financing, and that it was the last (public) investor in the company, the first cash to come from a sale could be earmarked for Penske.

If the deal were structured with a standard preferred equity arrangement, this would likely be the dynamic. In that case, Vox Media would find itself divested of its best brands without any cash to show for it.

Such a situation would likely spur Vox Media to sell the rest of its portfolio to a suite of individual bidders, in the same way that other media companies with broad portfolios—G/O Media, Recurrent Ventures, Condé Nast—have lately taken to

whittling them down through a series of sales and spinoffs.

Capital One recently kicked the tires on Eater, according to Puck. Several other bidders are currently submitting offers to Vox Media, according to multiple sources. Vox Media has the luxury of not needing to sell anything right now. But once it parts ways with its premiere assets that dynamic could change rapidly.

Talking Heds

Cut and Paste, and Jezebel (SCOOP): When Paste Magazine acquired the beloved independent outlets Jezebel and Splinter from G/O Media almost three years ago, I was thrilled but skeptical. I was happy to see the brands return to publishing, but the commercial strategy seemed underbaked. Given their subject matter—feminist commentary and left-wing politics, respectively—both Jezebel and Splinter were infamously difficult to monetize through open-exchange advertising, but their new owner, Josh Jackson, offered no convincing alternative for their monetization. Now, the wheels appear to be coming off. In recent weeks, Paste has laid off staff, shuttered its gaming vertical, and parted ways with longtime Jezebel editor in chief Lauren Tousignant.

Insiders say the trouble started in September, when Jezebel published a piece, titled We Paid Some Etsy Witches to Curse Charlie Kirk, two days before Kirk was assassinated. The article, unsurprisingly, generated a traffic windfall, but it also prompted the money man behind Paste, Bill Sagan, to get more involved in his investment. Former staff are now openly pleading for another buyer to intervene and give Jezebel, Splinter, and their sister site AV Club a new home. When reached for comment, Jackson pointed to a handful of new hires the outlets have made in recent weeks, including Erik Adams and Monica Castillo.

Ziff Davis Buys Again: On Friday, the digital media firm Ziff

Davis snapped up four media brands from Recurrent Ventures: the home design titles Dwell, Domino, and Business of Home, as well as the 154-year-old science publication PopSci. The company declined to share the purchase price, but an M&A source familiar with the space pegged the tie-up as likely under $20 million in total. The purchase is the latest in a string of acquisitions from Ziff Davis, which in recent years has also scooped up CNET, theSkimm, and Lifehacker. The tie-up is notable because it furthers Ziff Davis' reputation as one of the last remaining buyers of digital media brands, as many investors are looking to exit the space. When I mentioned this observation to Ziff Davis CEO Vivek Shah in the past, he reframed it, saying, "What do I know that they don't?" For Recurrent Ventures, the spin-off aims to focus its portfolio on its two strongest divisions, auto and military, according to CEO Andrew Perlman. As such, the two titles in the Recurrent portfolio that do not fit that description, Bob Vila and Futurism, might soon find themselves on the block.

The Times' Lucky Number 13: On Wednesday, The New York Times reported that it now has 13.1 million subscribers, after adding 310,000 digital-only subscribers in the first quarter. Given this pace—adding an average of roughly 330,000 subscribers per quarter—the news outlet is on pace to meet its self-appointed goal of surpassing 15 million subscribers by the end of 2027. The earnings report is effectively a victory lap, stuffed with eye-popping figures. Perhaps the most astounding one is its digital ad growth, which climbed 31.6%, to $93.3 million, an uptick the company attributed to strong demand and growth in advertising supply. The Times continues to lead the digital media industry, with the distance between it and its competitors growing farther each quarter.

Bloomberg Podcasts Increase Volume: Bloomberg Media hired Cheryl Brumley, formerly the global head of audio at The Financial Times, as its new head of podcasts, the company announced on Wednesday. The appointment is the latest

indication of the ambitions that Bloomberg Media has for its podcast and video products, a division in which it has a natural advantage owing to its decades of network video programming and global footprint. The news outlet already has several podcast hits on its hands, most notably Odd Lots, but it will be up to Brumley to expand that slate and help usher the Bloomberg portfolio firmly into the vodcast era.

The Affiliate Apocalypse (SCOOP): In the first quarter, Amazon began halving the affiliate rates that it offered to many of its publishers, according to three people familiar with the cuts. In some instances the company cut rates from 10% to 4%. Amazon declined to share its rationale for the cuts, but sources blame the company's growing AI tab. For publishers with large affiliate businesses, the abrupt change from the largest retail platform in the world has eaten further into their already thinning margins, making more difficult a business that has already been hammered by declining traffic and increasing competition from new channels, like creators. Coming out of the pandemic, digital commerce was booming to such a degree that nearly every publisher launched an affiliate business—even Vice, in its typical fashion, sought to corner the market on sex toy sales. But those days are long gone, and now only industry leaders like Wirecutter and The Strategist have the resources to remain in the space profitably. In response, affected publishers are working more closely with Amazon competitors, like Walmart and Target, sources tell ADWEEK.

Pulled Quotes

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Entertainment mogul Ted Turner, who died Wednesday, describing his ambitions to a biographer
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Quote/Unquote

Matt Rodbard is the founder and editor in chief of the food media brand Taste, as well as the cohost of its podcast, This is Taste. The outlet launched in 2017 as an in-house division of Crown Publishing, itself an imprint of the publishing firm Penguin Random House. Originally conceived as a content marketing vehicle for the cookbooks published by Crown, Taste began monetizing its own content at the end of 2022.

The Taste newsletter now has 250,000 subscribers, while the podcast generates over 100,000 downloads a month. The one-man operation is on pace to break seven figures in revenue by the end of the year, in part due to an innovative commercial product in which brands invite Taste to explore the stories behind their companies.

This interview has been edited.

Mark Stenberg: Taste has a unique model, given that it was launched as a division inside of a book publishing imprint. How did that come about?

Matt Rodbard: Crown wanted to market its cookbooks, but they realized that they couldn't just copy and paste marketing scripts and call it a day. I saw a huge opportunity to tell the stories of the authors through editorial, and it grew from there.

Mark: Taste originally started as text-based reporting, but is now known primarily for its podcast. How did that transition happen?

Matt: We are very committed to text. We pay freelancers and publish a feature per week, although that is down from five a week. In 2018 we launched the podcast, ramped up after the pandemic, and in 2023 hit our three-times-a-week cadence. We estimate that we get around 2.5 million listening minutes a month, so while we are not the biggest podcast, I would say we are the one people in food want to be on the most.

Mark: What distinguishes This is Taste from other food podcasts?

Matt: A lot of people assume a food podcast is when someone calls in to talk about nutritional yeast. That is boring. We are a conversational show about food culture, which is different from cooking. Recently we've had on New York Times' food writer Luke Fortney, who touched on the rotisserie chicken inflation debate, Austin chef and cookbook author Fermin Nunez, and food venture capitalist Elly Truesdell. We just cut an episode with Jess Shadbolt, the chef behind the buzzy New York restaurant Dean's.

Mark: Lately you have been experimenting with a commercial format, in which a food brand sponsors an entire podcast. How does that work?

Matt: Food for us is about storytelling, and many food brands have amazing stories. I just got back from a trip to Spain where we shot a lot of content related to some household names in the tinned fish space. CPG brands and tourism boards need this nuance because shelves are saturated and a large part of what they are selling is their identity. We clearly label these as sponsored, but the listener reception has been overwhelmingly positive.

Mark: You famously refuse to put full-length video versions of This is Taste online. Why?

Matt: Don’t get me wrong: We do clip out vertical videos for Reels and YouTube Shorts. But I think people do not watch full-video podcasts, and I don’t want our guests to feel like they’ll be on camera for 40 minutes. A lot of our guests are relieved when they find that out. It also comes down to editing: You either edit for video or for audio, and we’ve had a loyal base of listeners for years that we don’t want to alienate.

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