

Направление: «Медиакоммуникации»

Профиль:  
«Менеджмент в СМИ»

КОД - 280

Время выполнения задания – 180 мин., язык – русский.

Прочитайте предложенную статью и напишите рецензию на нее, стараясь придерживаться списка вопросов, приведенных в конце статьи.

**THE FREE-TO-FEE TRANSITION: AUDIENCES' ATTITUDES TOWARD PAYING FOR ONLINE NEWS**

Aske Kammerer<sup>a</sup>, Morten Boeckb, Jakob Vikær Hansenc and Lars Juul Hadberg Hauschildtd

After years of economic crisis in the news industry, charging for online news has become an important, strategic component of many legacy newspaper organisations' online business models. Journalism has, traditionally, been funded through the two-sided revenue model of advertising in combination with sales to audiences. Advertisements on news websites, however, typically do not generate sufficient revenues in themselves, and as audiences have had access to the content of most news websites free of charge for several years, this two-sided model has not been commercially viable in the online context. Because of a general transition in news consumption from print to digital, revenues from print newspapers can no longer undertake free online news. So, the implementation of digital subscription and of charging online audiences has become a widespread strategic initiative for legacy newspaper organisations in the second decade of the new millennium. According to the World Association of Newspapers and News Publishers, more than 600 publishers worldwide charged for access to their online news in 2013. This figure illustrates that a remarkable proliferation of payment models has taken place across news websites since The Wall Street Journal as the first major newspaper introduced digital subscription in January 1997.

Even though the introduction of digital subscription constitutes an international trend in the news industry, this study focuses specifically on the Danish case. Denmark is not internationally representative in terms of its media market, where the privately owned (yet state-subsidised) press co-exist and compete with freely available media with some news content (suburban weeklies, commuter newspapers, and commercial radio stations) and strong public service broadcasters. However, in spite of these free or perceived free alternatives to news from the press, research into audiences' willingness to pay for online news in this particular country should be of international interest. Because Denmark (alongside the other Nordic countries) is a country with very high internet penetration and with high levels of both news consumption and income per capita, audience payment might be expected to have comparably good conditions for actually succeeding in this country. So, even though the results do not automatically apply to the situation in other countries or media markets, the Danish case represents a "most likely case" for successful implementation of digital subscription.

Compared to most other countries, the Danish news industry introduced digital subscription late. Here, after some initiatives on regional news websites, the industry-level transition from free to fee-based online news occurred in the first half of 2013, where the three national broadsheet newspapers (*Berlingske*, *Jyllands-Posten*, and *Politiken*) and the two national tabloids (*B.T.* and *Ekstra Bladet*) launched different types of payment schemes online and ended the giveaway policy that had existed since the first Danish news websites launched in 1995.

The data collection for this study was conducted in the period where this implementation of subscriptions on news websites was in process, and that timing allows us to measure audiences' attitudes toward digital subscription at a point in time where it is imminent. So, we ask (research question one, RQ1) What are audiences' attitudes toward paying for online news in a national market where such payment is a new phenomenon? An international comparative analysis shows that 10% of Danish news audiences had paid for digital news content in the last year, and that 7% of those who had not paid expect to do so in the future. That analysis, however, does not qualify audiences' motives and incentives.

Accommodating this white spot of current media business studies, we ask (RQ2) Which factors do audiences report influence their willingness to pay for online news? Furthermore, in order to research the importance of age, which earlier studies find to play a major role, we ask (RQ3) Are there any differences in audiences' attitudes toward paying for online news and willingness to pay on account of respondents' age? To answer three posed research questions a special study was conducted.

### ***Methodology***

Concretising the somewhat abstract concept of “digital subscription” for analytical purposes (for ourselves as well as for our respondents), we focus on one particular case, namely the Danish newspaper *Politiken*'s news website [politiken.dk](http://politiken.dk). The website contains the continuous news flow and multimodal, interactive content made directly for it (video, animated images, slide shows, comment options, etc.) and – often a couple of days after the original publication – some of the longer articles and most of the opinion pieces from the printed newspaper. A digital version of the entire printed newspaper is also available on the website as well but access to it requires a higher subscription fee. Digital subscription on this news website launched concurrent with the research process and, so, allows for synchronous examination of audiences' attitudes toward this change.

*Politiken* is one of the dominant newspapers in Denmark in terms of both circulation (88,597 daily copies in 2013 according to The Danish Audit Bureau of Circulation) and prominence in the media sector, and it has an audience consisting of primarily well-educated, culturally engaged, and left-leaning people centred around the capital. With this target audience, *Politiken* is in closest competition with elite newspaper *Information* (whose news website requires no subscription but is also less focused on news). It is part of the legacy newspaper organisation JP/Politikens Hus, which also publishes local newspapers in Denmark and southern Sweden as well as the national broadsheet *Jyllands-Posten* and the national tabloid *Ekstra Bladet*.

[Politiken.dk](http://politiken.dk) is one of the most visited news websites in Denmark (Danske Medier Research, 2014). It launched digital subscription on 22 May 2013, implementing a metered model where audiences could read 25 articles monthly for free before being charged 5.9 Euros. In the spring of 2014, *Politiken* calibrated the subscription's design so that the number of free articles was lowered to 15 per month, the price raised to 8.87 Euros. Furthermore, in the spring of 2015, *Politiken* introduced some features of personalisation on its news website; since this development occurred immediately before the publication of this article, it is, however, not examined in this study even though it relates to some of our findings.

Empirically, the study draws upon data from one survey and two focus-group interviews, thereby increasing validity through the integration of quantitative and qualitative methods. With this combination, the research design compensates for the inherent shortcomings in each of them individually; statements from the interviews qualify the numerical results of the surveys, and the survey contextualises and indicates representativeness of the qualitative statements.

The survey was conducted in May 2013. It was finalised before the launch of subscription on [politiken.dk](http://politiken.dk) because we wanted to measure audiences' attitudes toward the transition from free to fee-based at a point in time where they faced that transition in the near future. From the

panel of the Danish polling institute Kompas Kommunikation 1054 persons responded to the questionnaire.

The qualitative part of the study consists of two focus group interviews, which were conducted in June 2013. At the end of the survey, we invited the respondents to participate in follow-up focus group interviews. Three hundred respondents expressed an interest in participating in the focus groups, and all these interested respondents – independent of their responses in the questionnaire – received a formal invitation through email, and among those who confirmed their interest, our sole criterion for subsequent recruiting to the final groups was age. Our ambition was to have one group with a younger age profile and one with an older one since such a distribution would enable separating attitudes on the grounds of age. Age is, as noted earlier, a variable found to play a most important role in connection with willingness to pay for online news, and as such we research it through RQ3.

So, the first focus group consisted of six respondents with an average age of 39 years (the respondents' age spanned from 28 to 50 years), the second of seven respondents with an average age of 50 years (these respondents were 23–75 years old).

### *Analysis*

Of our 1054 respondents, 6.8% (n = 72) would consider purchasing a subscription for the news website politiken.dk while 77.9% (n = 821) would reject that possibility and 11.2 (n = 118) might “Perhaps” consider it. Of these, 3.9% (n = 41) already have access to the online news through their subscription to the print version of the newspaper. That 6.8% of the respondents accept being charged for online news corresponds with international findings (Newman & Levy, 2013). Furthermore, 36.9% of our respondents (n = 389) use politiken.dk on a weekly basis.

Among the 821 respondents who are not willing to pay for the news on politiken.dk, the main reason for the rejecting standpoint is not connected to politiken.dk per se. Instead, the disinclination reflects a general resistance to the very idea of paying for news: 25.1% (n = 265) of the respondents will not pay for online news in the first place (be that on politiken.dk or on any other news websites), and 36.4% (n = 278) will not pay for news at all in any medium. This way, more than half of the respondents (51.5%; n = 543) were, so to speak, unattainable for the legacy newspaper organisation to begin with.

A pattern, furthermore, exists in relation to the demographic variable of age in all respondents' attitudes toward paying for news (see Table 1): 6 among people 18–39 years old (n = 232), 40.9% (n = 95) will not pay for online news and 44% (n = 102) for news in the first place; among people over 60 years of age, the equivalent values are, respectively, 27% (n = 76) and 21% (n = 59). This pattern of young people having more reservations when it comes to paying for news echoes the findings of, for example, Chiou and Tucker (2013).

With specific reference to politiken.dk, 26 of the 85 respondents (31%) who filled out an optional comment box in the survey do not think that politiken.dk distinguishes itself sufficiently from other news websites to motivate audiences from getting news for free elsewhere online.

**Table 1.**

### **Different age groups' rejection of paying for news**

Age	Will not pay for online news	Will not pay for news at all
18–39 (n = 232)	40.9% (n = 95)	44% (n = 102)
40–49 (n = 161)	39.8% (n = 64)	42.9% (n = 69)
50–59 (n = 147)	21.1% (n = 31)	32% (n = 47)
60+ (n = 281)	27% (n = 76)	21% (n = 59)
All (n = 821)	32.3% (n = 265)	33.9% (n = 278)

Both the quantitative and the qualitative data of our study support the age bias in relation to attitudes toward digital subscription that Chiou and Tucker (2013) and Chyi and Lee (2013) report: younger audiences seem less willing to pay for online news than older ones.

What is more important, however, is that our study also reports that the younger audiences are also more reluctant to pay for news (in any medium) in the first place. When, as reported in Table 1, 44% (n = 102) of people between 18 and 39 years old say they are not willing to pay for news at all, that poses a serious challenge for news organisations onwards, because their future customers are opting out of not only the printed newspapers (which is not a new discovery; cf. Lauf, 2001) but of fee-based news media altogether. When almost half of the media users of the future (compared to 33.9%, n = 278, of the general population) are disinclined to pay for news, probably because they perceive of news as a free goods, legacy newspaper organisations can look forward to even harder times than the current one, which is already marked by crisis.

While the study does, this way, identify a major challenge for the news industry now and in years to come, it also suggests one approach for getting the young audiences to pay for news: the “Daily Me” model where audiences can compose individual portfolios of the news they are interested in and pay accordingly. Instead of paying full price for all content, the study suggests, the younger audiences are more interested in paying, for example, one fourth of the price for that fifth of the content which they actually have an interest in. One US study supports the claim that such unbundling of content increases willingness to pay, even if it focuses on local rather than national news (Chiou & Tucker, 2013).

Implementing portfolio-based approaches to selling online news might cause a tension concerning the democratic role of the news media. On the one hand, a commercially viable press is a necessity for journalism to be conducted in a way that ties together the public, the public sphere, and the other societal institutions (Schudson, 2008). So, one can understand why legacy newspaper organisations might be tempted to split up their journalistic product and sell it piecemeal in order to generate revenues that can undertake their democratically important function. On the other hand, unbundling challenges one of the added values of bundling journalism, namely that audiences get an overview of events and developments in general – not only of what their more or less narrow interests concern. Getting only the segments of the news that they have chosen beforehand, audiences will not be exposed to all the news that is fit to print but only to the news they think they want to get. And such highly selective exposure might lead to increased segmentation of the public sphere as citizens enter echo chambers or “filter bubbles” (Pariser, 2012).

### **Conclusions**

This study asked three research questions.

First, it asked what attitudes audiences have toward paying for online news that used to be available for free (RQ1). In line with earlier, international studies, we found that only a small fragment of audiences (6.8%; n = 72) are interested in paying for online news, while large portions of the audience do not want to pay for news at all, neither online nor offline.

Second, it asked which factors influence audiences’ willingness to pay for online news in a Danish context (RQ2). From especially the qualitative focus-group interviews, we identify a number of such circumstances, namely principles, journalistic quality, and subscription models.

The analysis shows that the principled position toward paying for online news plays a most important role. Whether audiences accept the very premise of news organisations charging for online news appeared to have more to say than the size of the fee. Even though the results indicate that the older audiences are more willing to pay for online news than the younger ones, principles seem to constitute the most important factor in willingness to pay. If the audiences acknowledge that journalism is a costly activity and experience that the fee supports quality journalism (e.g. investigative journalism, more societally important news, and more correct grammar and spelling), they say they will be more likely to pay.

Audiences’ perception of the quality of journalism constitutes an important factor in this connection. The study suggests that audiences distinguish between online and print news from a qualitative perspective, and that online news (politiken.dk) is perceived as inferior to the printed

version (*Politiken*); this finding corresponds with an earlier US study (Chyi & Yang, 2009). Lower quality entails a lower willingness to pay.

The very configuration of the subscription model is the last circumstance that influences (particularly the young respondents') willingness to pay for *politiken.dk*. The younger respondents are far more interested in how exactly the digital subscription is put together, and this interest is expressed in their demand for the option of selecting and personalising the composition of news. Willingness to pay in the younger group increases when the subscription model offers a personalised dimension that distinguishes it from all the other general news input.

Third, the article asked whether age accounts for any differences in attitudes toward paying for online news and to the willingness to pay (RQ3). As the answers to the two first research questions shows, there are important differences between younger and older respondents: the latter are both more accepting towards paying for online news in the first place and less interested in the "Daily Me" type of subscription, which the younger respondents prefer.

While these conclusions add to the current knowledge about the challenge of converting free news consumption to paid, they also propose new directions for the future research into payment for online news. Most importantly, the importance of audiences' principles in their decisions regarding purchasing online news or staying "fare dodgers" should be subject to further scrutiny. This dimension of audience attitudes is not something legacy newspaper organisations can transform in the short run, but in the longer perspective people can and often do adjust their principles. Furthermore, the economic potentials as well as democratic ramifications of segmented subscriptions like the one requested by the younger group of respondents should be researched in greater detail.

#### Вопросы к статье

1. Какую бизнес-проблему рассматривает статья? Является ли данная проблема актуальной для России или же ее актуальность касается только Дании? Дайте развернутый ответ.
2. Что авторы статьи понимают по термину "the two-sided revenue model"? Является ли данная модель универсальной, которая присутствует во всех видах медиа и во всех странах, или же она применяется лишь в каких-то особых случаях? Аргументируйте свой ответ.
3. В начале статьи авторы ставят три исследовательских вопроса. Что это за вопросы? Даются ли на них исчерпывающие ответы?

Далее Вам предлагается выбрать одну из двух позиций - аналитика-исследователя (А - аналитика) либо медиаменеджера (Б - бизнес).

#### **А. Если Вы выбрали позицию аналитика-исследователя, то ответьте, пожалуйста, на следующие вопросы:**

A1. Что в приведенном исследовании было предметом исследования? Какие методы использовались в исследовании? В чем научная новизна данного исследования? Какова эмпирическая база данного исследования?

A2. На основании полученных результатов сформулируйте два-три новых актуальных исследовательских вопроса по данной проблематике. Обоснуйте, почему они актуальны.

#### **Б. Если Вы выбрали позицию медиаменеджера, то ответьте, пожалуйста, на следующие вопросы:**

B1. На основании полученных результатов, какие управленческие идеи Вы можете предложить для того, чтобы увеличить выручку от продажи контента новостного сайта?

B2. Связана ли величина выручки от продажи контента новостного сайта, на Ваш взгляд, с организационной структурой редакции новостного сайта? Если да, то какие пути оптимизации редакционной структуры Вы можете предложить. Обоснуйте свой ответ.