

Most Canadians unwilling to pay for news online: study

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(PhysOrg.com) -- Less than a month into The New York Times' trial run in Canada of its campaign to charge for online content, a survey by University of British Columbia researchers suggests that the majority of Canadians are unwilling to pay for news online, especially if free alternatives exist.

In the online survey of nearly 1,700 Canadian adults earlier this year, 81 per cent said they would not pay to read <u>news</u> online and 90 per cent indicated they would find free alternatives if their preferred news websites started charging for content. On this question, the survey found little or no differences among age groups, educations levels or urban and rural populations.

"These results should give pause to any news corporations in Canada or abroad that are considering erecting paywalls around their content," says Donna Logan, a professor emerita of UBC's Graduate School of Journalism, lead author of "Canadian Consumers Unwilling to Pay for News Online," the first study in a research series for the Canadian Media Research Consortium (CMRC) in cooperation with Vision Critical, an online research company.

"Online news consumers, long used to getting their news free when production costs were mostly subsidized by print and broadcast advertising, are balking at the idea of having to pay for content now that revenues are falling below the level needed to sustain media operations across various platforms," says Logan, who authored the study with UBC



researchers Alfred Hermida, Fred Fletcher and Darryl Korell.

If no free alternative news websites were available, only 30 per cent of survey participants said they would be willing to pay for news online. Of this group, 28 per cent were willing to pay for breaking news and 22 per cent for other hard news. Nineteen per cent indicated they would pay for international news and 16 per cent would purchase feature and analytical news.

Among the minority willing to pay for news, the survey shows a clear preference (34 per cent) for a flat-fee subscription, followed by metered, pay-as-you-go models (20 per cent). There was little support for any of the other options presented: a per-day charge (six per cent), per-article fee (four per cent), or by purchasing mobile device applications.

The results come on the heels of a new online pay system that *The New York Times* launched in Canada on March 17. "*The New York Times* is revered by many readers for its quality," says Logan, CMRC President, "so if its paywall system defies the odds and succeeds, these findings suggest it would be an exception, rather than a model to follow."

Compared to recent international studies, the findings suggest Canadians have a slightly greater opposition to paywalls than people in the U.S. and UK, Logan says. The survey also finds that Canadians are even more opposed to paying for online magazines than for newspapers.

Logan says Canadians' attitudes may change over time, but it is too soon to tell. "There is currently scant evidence to suggest this will change anytime soon. Where paywalls have been introduced, huge losses in online traffic have resulted," Logan says, noting The Times of London's online readership has dropped by nearly 60 per cent since it introduced paywalls in July 2010.



In a second report, Canadians Value Home Internet Connection More Than Other Media Devices, CMRC finds that Canadians value their home internet connection more than any other medium, and younger Canadians have already begun to access most of their information and entertainment programming online.

The report explores how Canadians use media devices to access news. Its main findings include:

• 42 per cent of Canadians say their home Internet connection would be the last media device they would be willing to give up

- Men prefer accessing news via computer (36 per cent), while women prefer television (43 per cent).
- Overall, Canadian adults still prefer TV for news and information (38 per cent)
- 17 per cent of respondents each say they would be least willing to give up their mobile or newspaper subscription
- 18-to-34-year-olds have roughly the same number of computers per household (2.5) as televisions (2.4)
- 85 per cent of internet users in Canada get news online at least once a month

More information: View both full reports at <u>www.mediaresearch.ca</u>.

Provided by University of British Columbia

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