

## Cutting-edge Slovak media paywall seeks to expand abroad

August 27 2012, by Tatiana Bednarikova



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With print media sales plummeting the world over, this Central European start-up may have found the formula to successfully charge for online <u>content</u> without losing readers long used to getting news on the Internet for free.

Piano, which started in Slovakia in May 2011 and has since moved into Slovenia, decided to use the <u>cable TV</u> model to charge for online newspapers and magazines—subscribers pay a monthly fee to get a a



package of content from various publishers available behind the paywall.

It is a similar model to <u>Netflix</u>, which lets viewers in a handful of countries including the United States and Britain to stream movies and <u>television shows</u> for a low monthly price.

Now Piano is looking to prove its formula can work in a big market, and is set to launch next month in Poland, which with a population of 38.2 million far outstrips Slovakia's five million and Slovenia's two million people.

"This is an opportunity to prove that Piano works not only in small countries (...) but in larger markets as well," Tomas Bella, CEO of Piano Media told AFP in Bratislava.

"The biggest challenge is to explain the people who for fifteen years have been used to getting everything on the Internet for free why they should pay for content," Bella said.

The monthly fee is an affordable 3.90 euros (\$4.80) in Slovakia, where an average salary is around 770 euros.

All three of Slovakia's leading broadsheet daily newspapers and several smaller magazines and websites decided to charge for exclusive content such as opinion pages, but have kept general news free.

Readers can also pay for priority access to stories, which are later unlocked and available for free.

Piano pockets 30 percent of the money readers pay for subscriptions, while 40 percent goes to the website which first attracted the subscriber and 30 percent goes to all partners based on how much time a reader spends on their sites.



Over the past five years printed daily newspaper circulation in Slovakia has dropped by 30 percent, but the visit-rate on the corresponding websites grew by more than 17 percent between 2010 and 2011, Branislav Ondrasik, a media analyst at the Bratislava-based Paneuropean University told AFP.

While the paywall helps publishers weather losses from falling sales in print, at the same time it puts pressure on journalists to focus on the quality of their stories.

With a free access to general news, newspapers have to identify the unique content that attracts the readers enough to make them want to pay for it.

"I think it's better when journalists feel that they are paid by readers rather than advertisers," says Bella, who used to be a journalist himself.

After September's launch in Poland, Piano is already eyeing a fourth as of yet undisclosed market to be announced by the end of this year.

"At first they told me Piano won't work in Slovakia because the publishers would never unite under one paywall. Then they told me it won't work outside Slovakia. Then they told me it won't work in a bigger market like Poland. So the next big goal is to prove it can work in a country which speaks a world language," Bella hinted.

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