

# Study shows consumers willing to pay for online news

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A Victoria University of Wellington student is exploring ways to fund quality journalism online, including developing a tool that allows people to purchase an online package of news from several publishers.

Led by Alex Clark, a Master of Advanced Technology Enterprise student, the 'News, Renewed' team surveyed 457 newsreaders to explore their willingness to pay for news online.

"We found that consumers' are willing to pay, but only if the news is presented in a format that they want. It's all about the convenience," says Alex.

The survey asked respondents about their news reading and media consumption habits, and their willingness to pay for news in different ways—ranging from donations, crowd funding, buying a mobile app or purchasing individual articles. Packaging was by far the most preferred purchase method.

"People have multiple trusted online sources, so hate the thought of paying for each site or news item individually. If news from several [publishers](#) is bundled together, then the proportion of people willing to pay increases dramatically," says Alex.

An interesting finding, says Alex, is that 18 to 30 year olds, who are the most difficult to get to pay for news, are the demographic most likely to purchase a global package of news—"twice as likely as the average". He

compares that to young peoples' willingness to purchase 'all-you-can-eat' digital music subscriptions.

"There's a perception that young people want to pirate everything and free load, but it's not actually true—they're just fed up with paying for every unit of content individually."

Alex says compared to other types of media such as music, books and television, the journalism industry is struggling to adapt online.

Based on his findings, Alex developed a prototype that provides paywall technology which easily integrates into existing news websites, allowing paying subscribers to unlock premium content across all partner websites.

The prototype is based on a revenue-share model, where a pool of subscription fees is equally distributed based on consumption of content. Alex is in the process of showing the tool to publishers, bloggers and journalists.

There are a lot of variables within the system, explains Alex. "One model that works well overseas is having general news available free, with exclusive stories behind a paywall. Other publishers prefer putting all [news](#) behind a paywall, with readers getting a number of free views each month.

"The reaction has been that this is the model of the future, but that it'll be extremely difficult to implement. Publishers fear losing control, but the key with this prototype is that it allows publishers to maintain control and independence while also collaborating," says Alex.

Provided by Victoria University

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