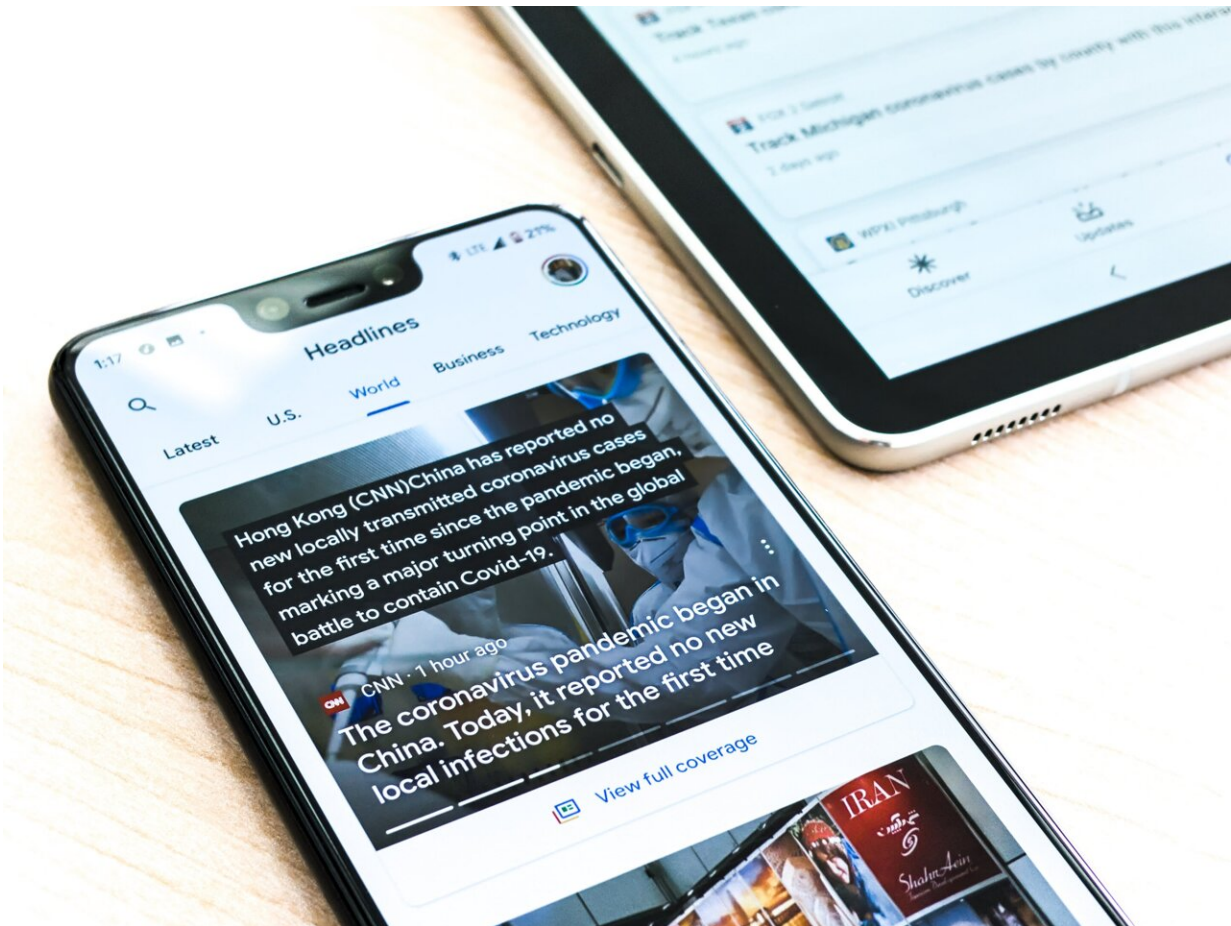


Q&A: What increases people's willingness to pay for online journalism?

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Professor Neil Thurman and Dr. Bartosz Wilczek research at LMU's

Institute of Communication Studies and Media Research. Their work focuses on changes in news production and consumption due to the internet and artificial intelligence.

Is journalism currently facing a crisis?

Bartosz Wilczek: We can clearly observe a decline in specific revenue streams, particularly in the case of newspapers, where print revenues are decreasing. Online advertising is not proving effective for funding [digital content](#). The decrease in newspaper income means there is less funding available for news content creation. Coverage of topics that were previously covered is now lacking. There is a discussion about news deserts in some areas.

Neil Thurman: Moreover, not only do we have less news, but people also consume less online compared to traditional newspaper content. In the past, individuals would spend more time reading professional news content when it was delivered in print. Online newspaper readers spend just a few minutes on average per month with these titles. One reason for this shift is the abundance of alternative content available online. This could result in the population as a whole being less well informed about certain topics.

If we consider the proportion of online advertising captured by big tech companies, it is a substantial share. Currently, both Facebook and Google individually generate more online advertising revenue than all the newspapers, magazines, radio stations, and cinemas in the world combined. These newcomers have economies of scale and possess extensive user data, making it challenging for newspapers to compete. Additionally, people are less willing to subscribe to digital newspapers compared to their print counterparts. Currently, newspapers are recognizing the need to rely less on [online advertising](#) income and instead focus on obtaining online subscription revenue.

Why are people less willing to pay for the same content online as in print?

Wilczek: Print newspapers were typically paid content, whereas the internet originally offered free content. This 'free mentality' contributes to the challenge of changing the payment mechanism. Transitioning from a price of zero to any price at all is a challenging change to make.

Thurman: Also, when purchasing a print newspaper, you receive something physical, which psychologically makes a difference. Another point to consider is how uncomplicated the payment process is. While it is relatively easy to make micro payments for items from large online retailers, there are still barriers when it comes to subscribing or paying for a [newspaper](#).

What are the different approaches to funding online journalism, and how do they vary?

Thurman: There are four main ways that online news is funded. Firstly, there is the option of people subscribing, where a paywall restricts access, and the only way to bypass it is by making a payment. Secondly, there is advertising. Some sites solely rely on advertising revenue, but they need to attract a large number of visitors. This often requires producing a significant amount of content that appeals to a wide audience. Another funding method is through donation-based models, where sites do not force people to pay but instead invite donations. Lastly, there are sites funded through philanthropy, with foundations, crowdfunding, or wealthy individuals paying for the content. Many platforms employ a combination of these four methods.

Germany has a system where society collectively pays

for public broadcasting. Is this also present in other countries?

Thurman: Yes. For instance, the BBC funds its news website through television licenses. However, newspapers often view this as unfair competition. In Germany, the newspapers successfully lobbied the government to restrict publicly funded online news publishers from writing articles longer than a certain word limit. This was done to protect the market share of the newspapers. In contrast, in the UK, the BBC Online News website has been highly innovative, extensive, and provides a wide range of content including lengthy articles and various forms of media. It has attracted a large audience. Some people argue that it offers high-quality and balanced journalism for free, which is beneficial. However, for some newspapers, having a publicly funded competitor was not welcomed.

You recently conducted a study on online journalism and the likelihood of people paying for online content. Can you tell us more about it?

Wilczek: Previous research has focused on understanding the demographics of who pays for online news, such as age or income levels. However, there hasn't been much research on how advertising messages can impact people's willingness to pay for online news. Our study fills that gap and sheds light on the effectiveness of different appeals in motivating users to pay for online content.

We focused on the implementation of paywalls and online subscriptions, specifically examining the communication surrounding them. We investigated different strategies for writing and framing subscription pages that users encounter when they hit a paywall. The [study design](#) involved exploring four types of messages or appeals:

The digital-specific appeal focused on highlighting the advantages of accessing news exclusively online, emphasizing that the online version provides additional benefits such as personalized news or quicker access to information.

The social appeal, highlighted that subscribing to online news facilitates being a member of a community. It emphasized the opportunity to engage in online forums, discussions with other readers, and the possibility of attending events.

The price transparency appeal involves informing users about the critical situation of the media industry and the need to implement paywalls.

The normative appeal emphasizes that subscribing supports independent and watchdog journalism, appealing to users' altruistic motives beyond the product itself.

The results showed that the combination of a normative appeal and a price transparency appeal was the most effective in motivating users. This result is particularly interesting because it suggests that altruism matters a lot to consumers of online news. It seems to be important to them to contribute to journalism as an important part of society by paying for their [news](#).

What would a perfect version of the future of journalism look like for you?

Wilczek: Journalism provides essential information for citizens to make informed decisions on economic and political matters. In a perfect scenario, journalism would continue to improve, remaining relevant and adapting to the latest technologies, fostering innovation.

Thurman: It would be highly desirable to witness journalism being able to sustain itself in a way that enables the production of a wide range of high-quality journalism, free from undue influence from undesirable sources. While philanthropic or government funding can be part of the funding mix, these sources come with their own challenges. Therefore, it is crucial to find a sustainable business model that allows independent journalism to thrive.

More information: Paper: [Subscribe Now: On the Effectiveness of Advertising Messages in Promoting Newspapers' Online Subscriptions](#)

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