

# The push to paid

Attitudes of publishers toward paid content



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# Purpose

— [ To examine print-to-digital revenue expectations

— [ To assess attitudes toward paid content models

— [ To explore paid online, tablet and mobile plans

# Methodology

— [ Random sample of all 1,390 U.S. dailies

— [ 301 phone interviews with daily newspaper publishers

— [ Response rate: 78 percent

— [ Fielded April 1-18, 2011

# Details about the sample

Skewed to smaller papers – 77% under 25,000 circulation

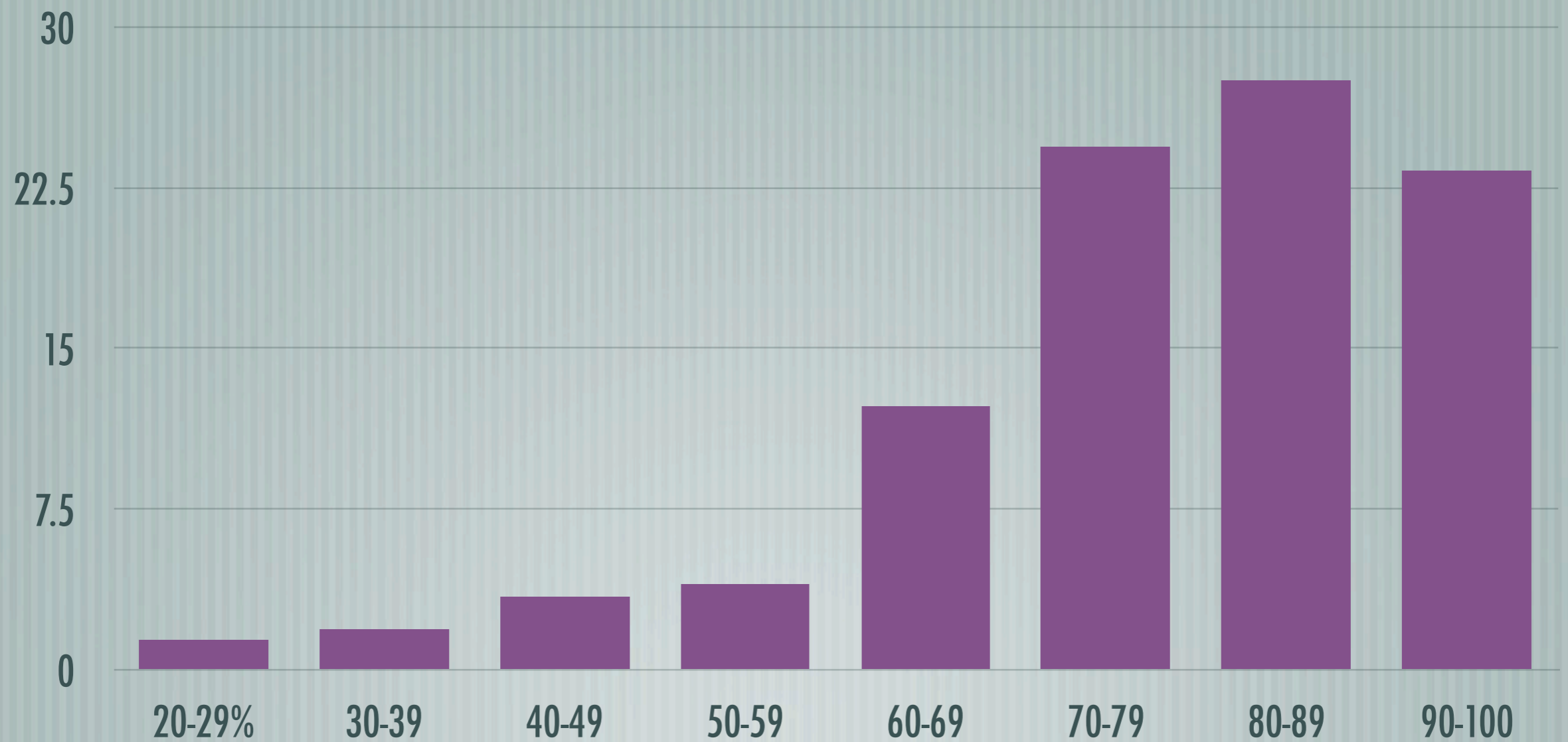
18% independent

57% in privately owned groups

25% in publicly traded groups

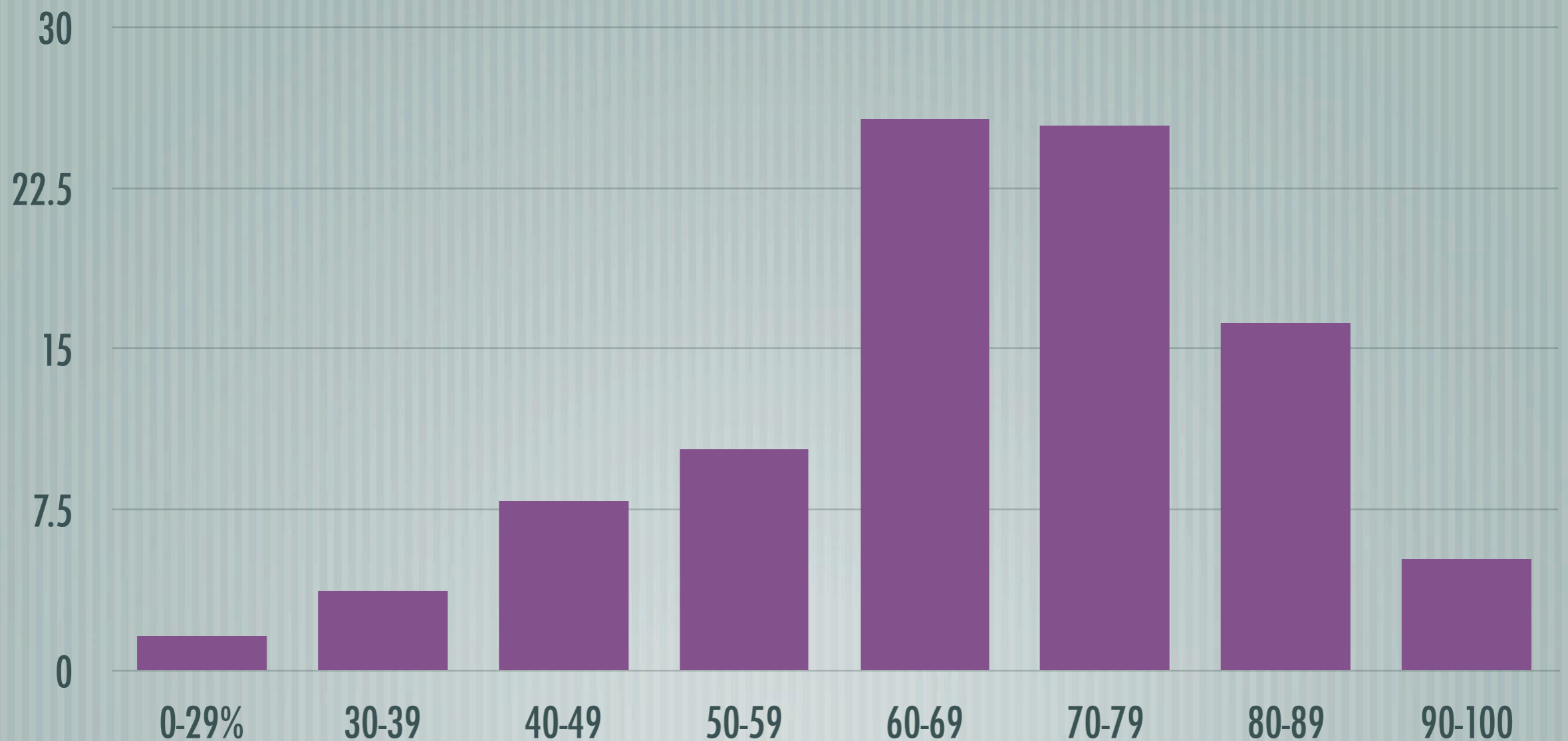
# Revenue stream: Print

Today: Portion of total revenue from print



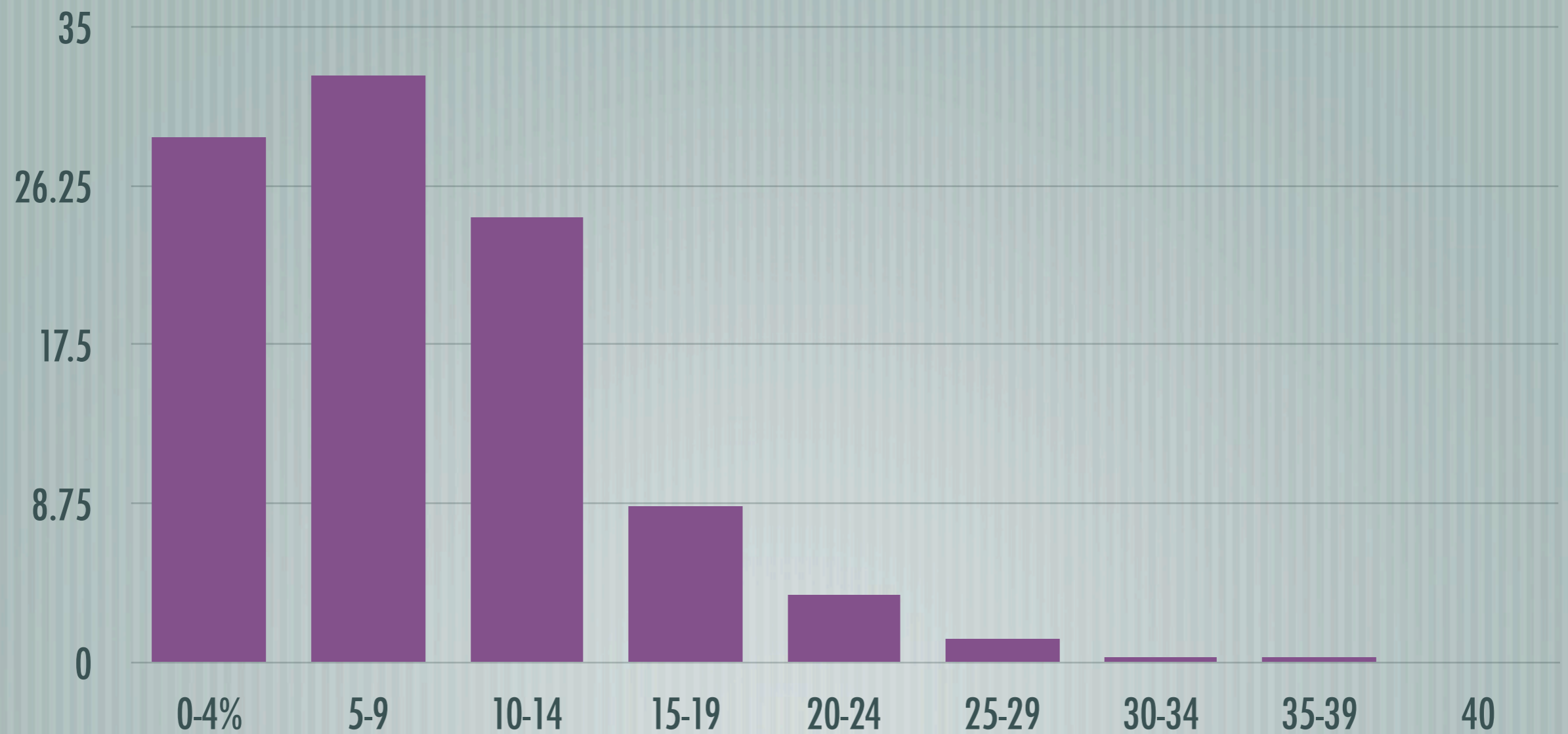
# Revenue stream: Print

**In 3 years:** Portion of revenue expected from print



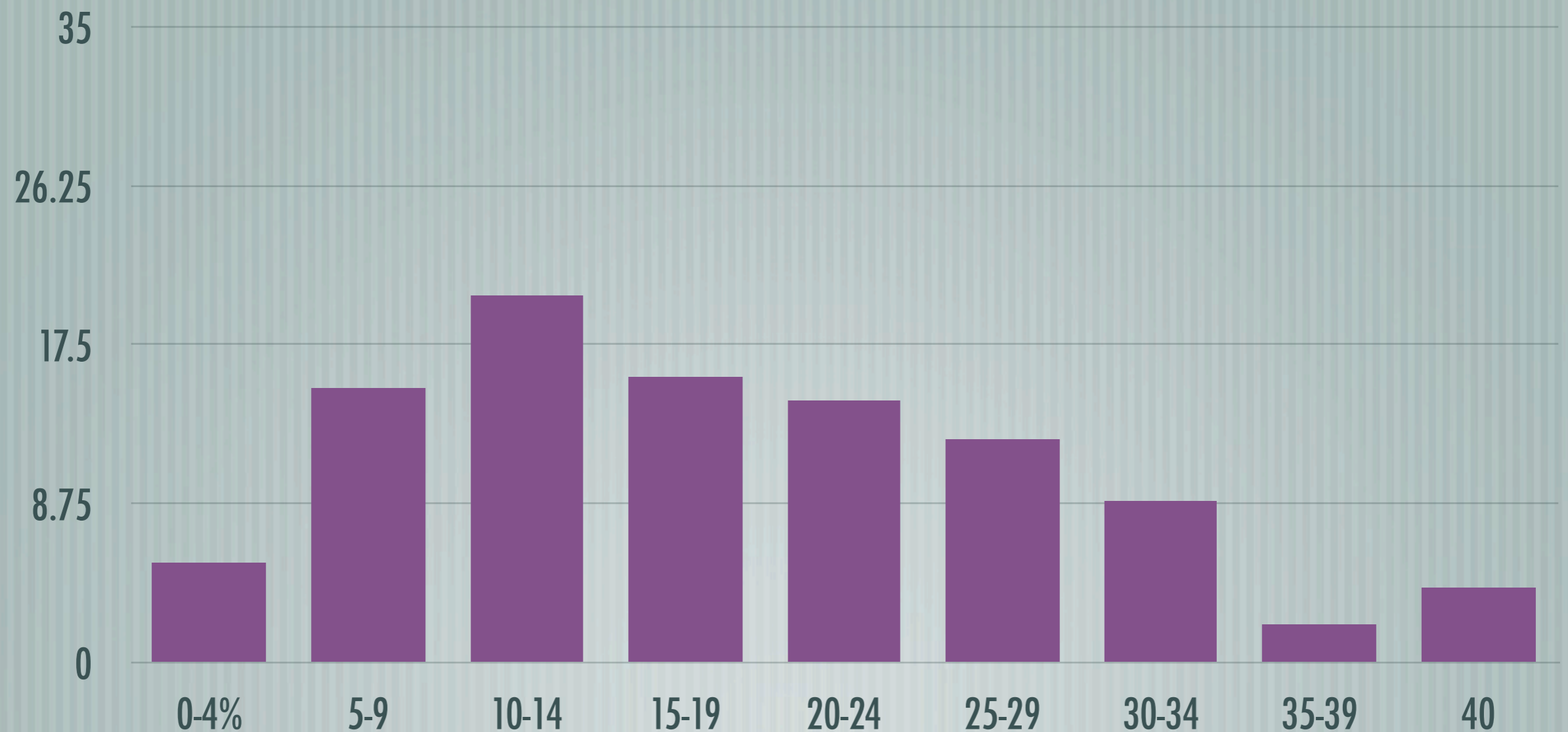
# Revenue stream: Digital

**Today:** Portion of revenue from all digital products



# Revenue stream: Digital

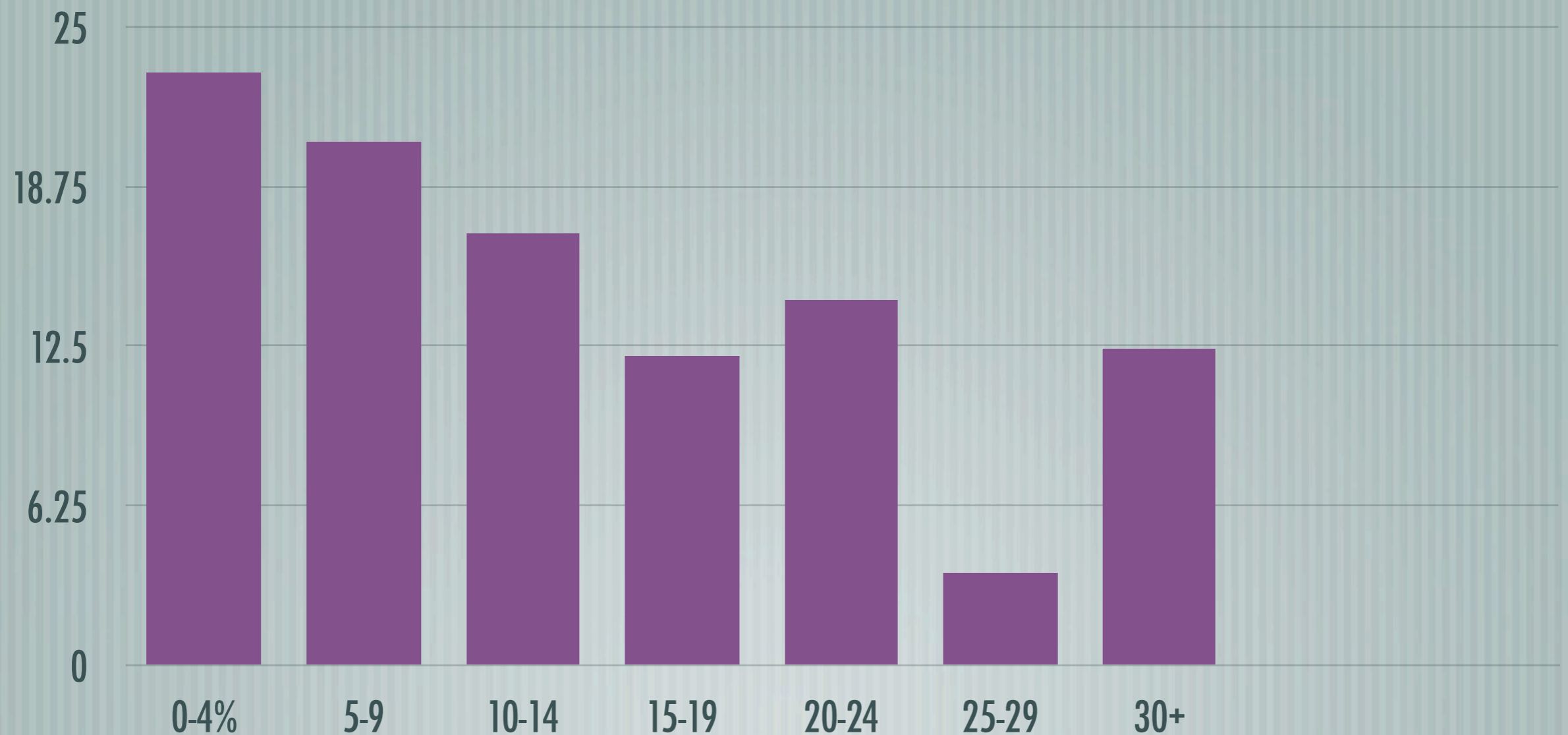
**In 3 years:** Revenue expected from digital products





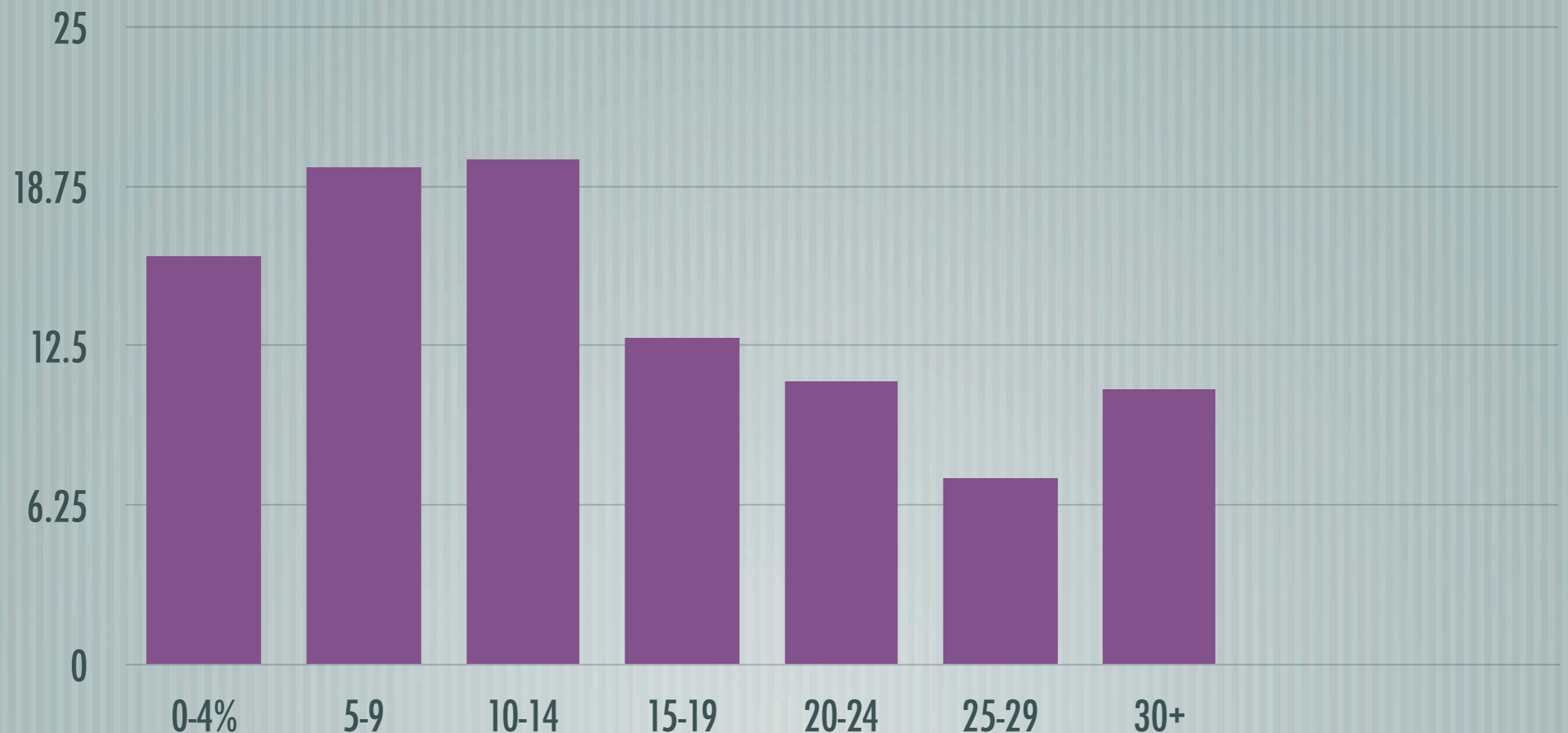
# Revenue stream: Niche/other

**Today:** Revenue from niche products, other activities



# Revenue stream: Niche/other

**In 3 years:** Revenue from niche products, other

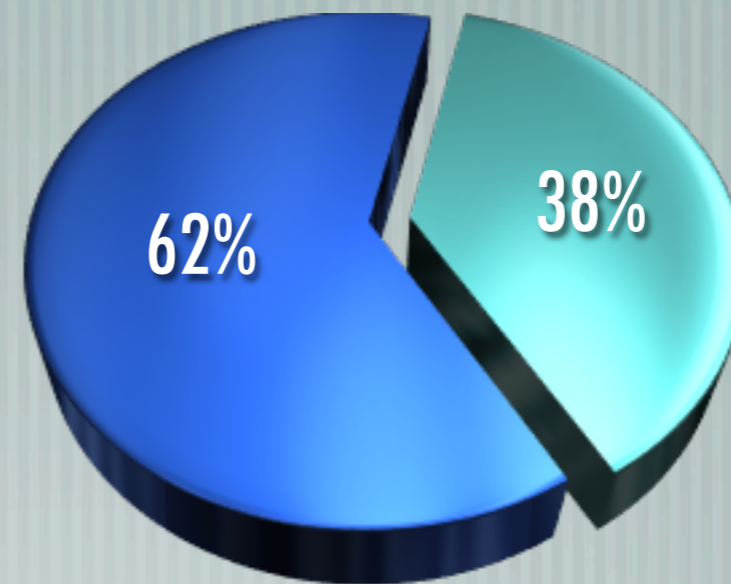


# Mobile phone & tablet apps

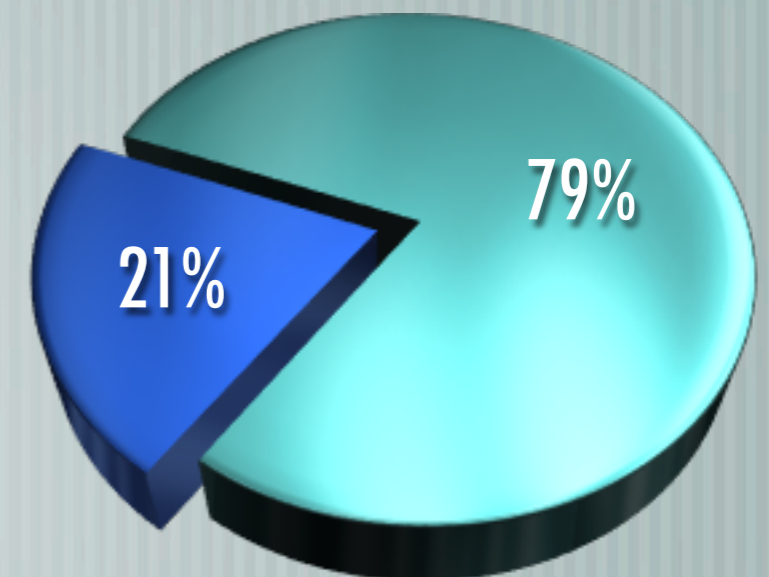
# Mobile phone apps

Mobile app activity correlates with newspaper size

62% of newspapers with circulation of 25K or more have a mobile phone app



21% of newspapers whose circulation is below 25K have a mobile app



# Mobile phone apps

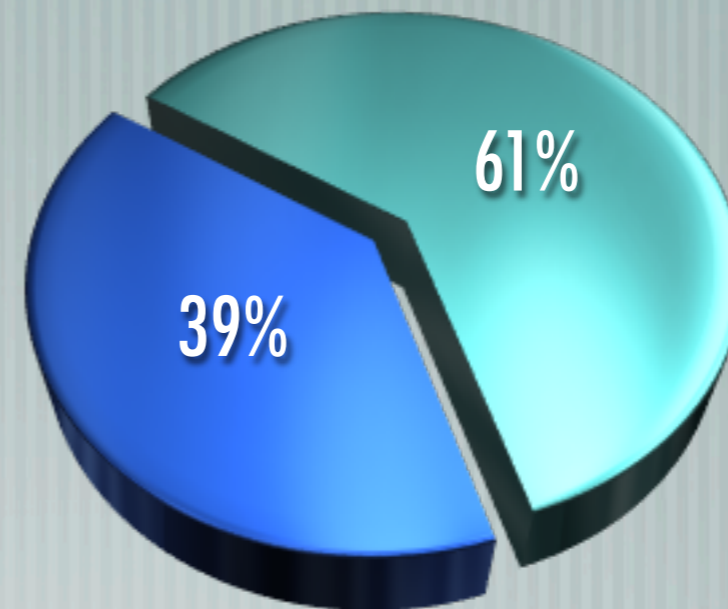
— [ In the next 12 months, 59% of newspapers that don't have a mobile phone app plan to offer one

— [ 35% of those newspapers plan to charge

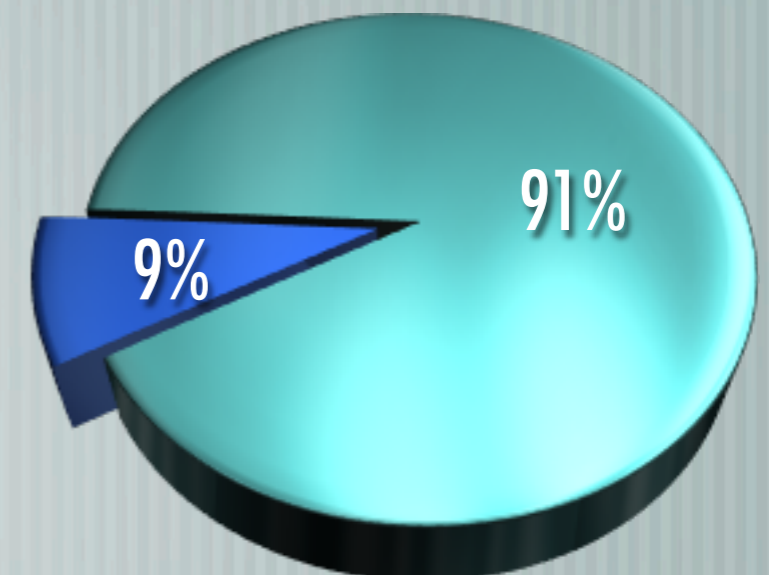
# Tablet apps

Overall fewer than 2 in 10 papers have a tablet app

39% of newspapers with circulation of 25K or more have a tablet app



9% of newspapers whose circulation is below 25K have a tablet app



# Tablet apps

— [ In the next 12 months, 48% of newspapers that don't offer a tablet app plan to offer one

— [ 45% of those newspapers plan to charge for it

# Paid content

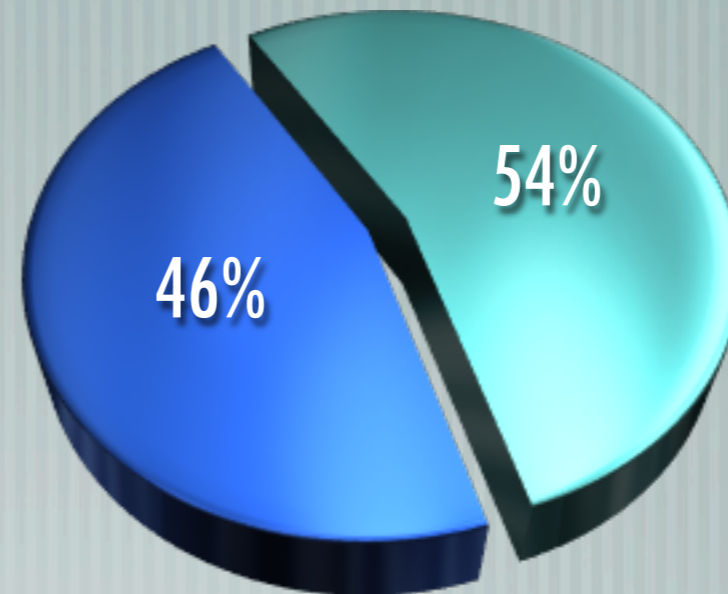
**Four out of 10** newspapers are charging for some online content



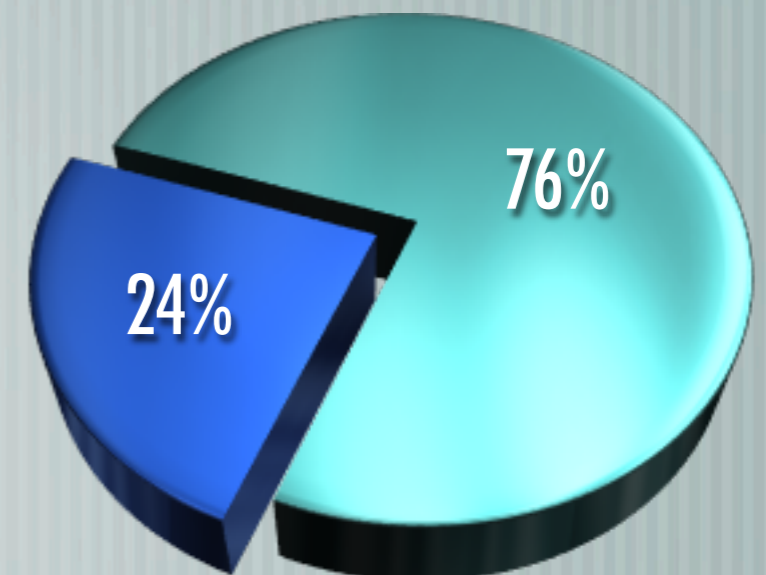
# Paid content models

Smaller papers are adapting more quickly

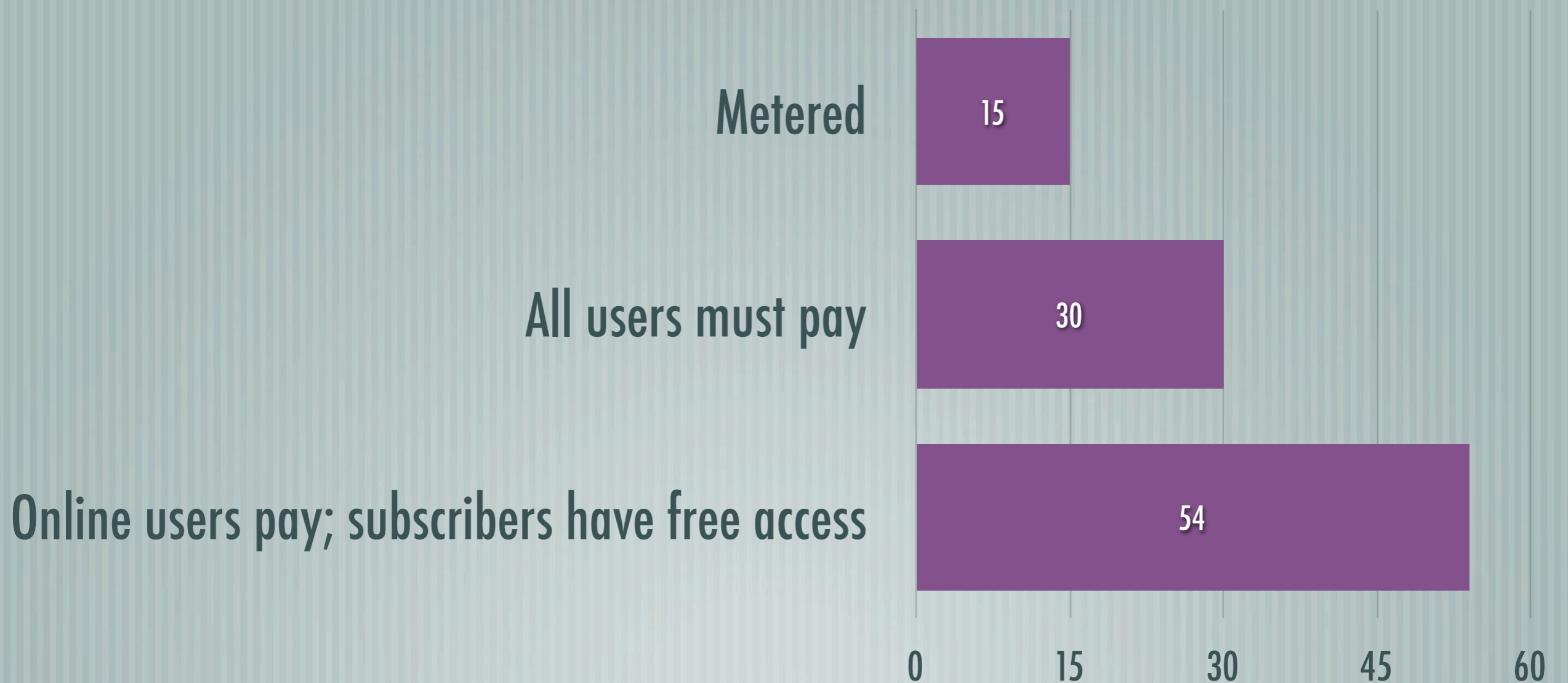
46% of newspapers under 25K circulation charging for some online content



24% of newspapers whose circulation is above 25K charge for some content



# How do papers charge?



# Plans to charge for content

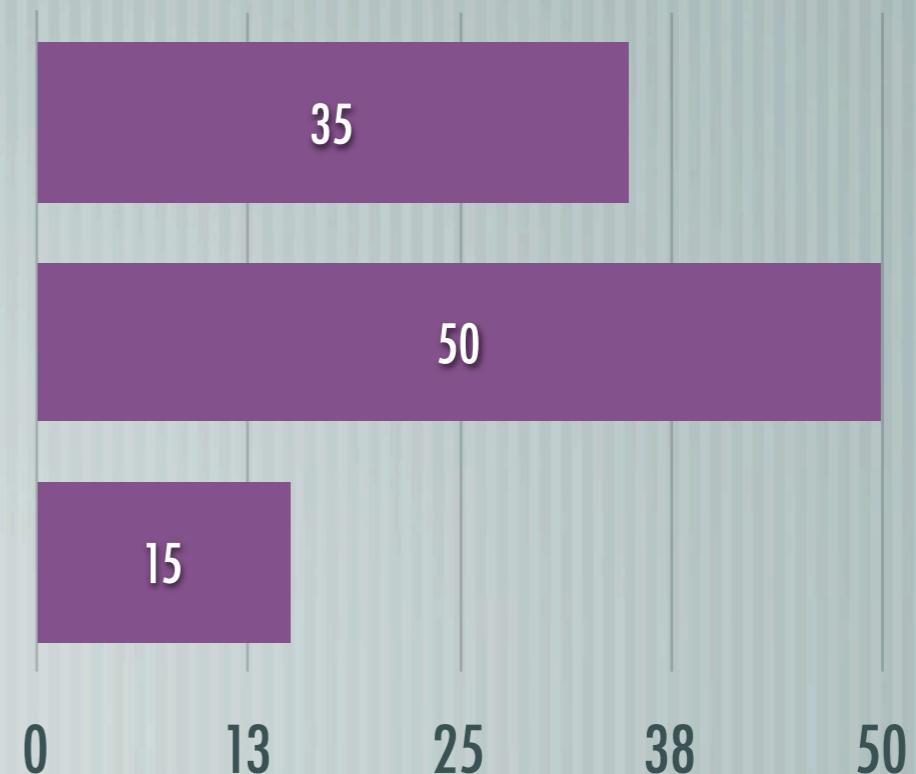
Of papers that don't charge, 35% plan to; 50% say they may charge at some point.

Only 15% agreed with: "We have no plans to charge."

Plan to charge in the next 12 months

May begin charging at some point

We have no plans to charge



# Consumer attitudes

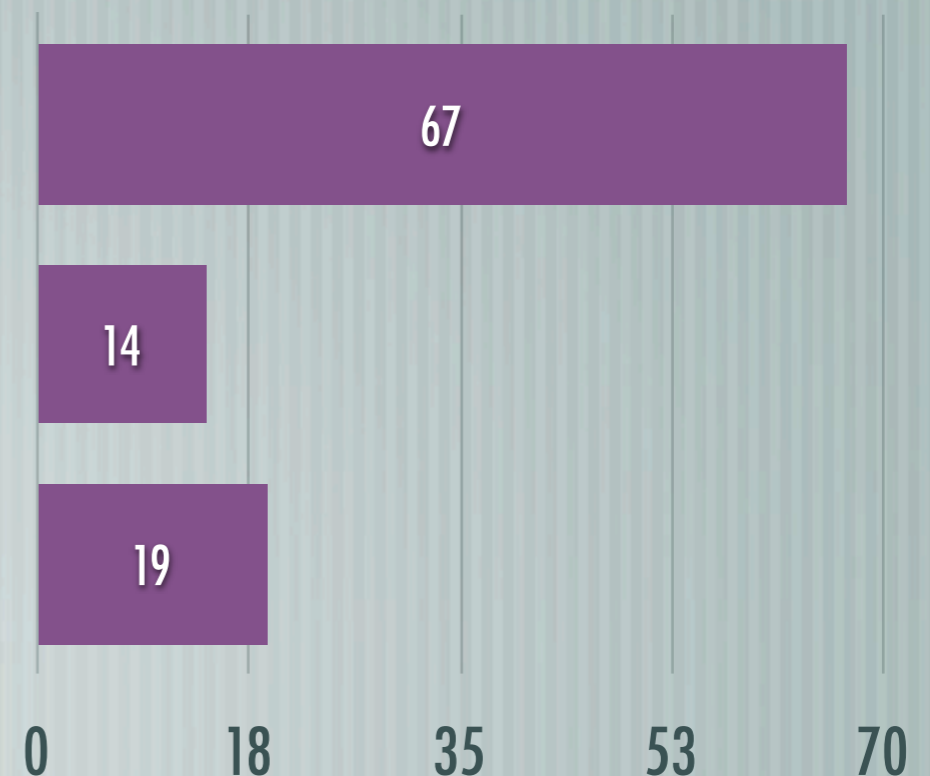
Two-thirds of publishers believe audiences will pay

Only 14% agreed with "I don't believe we'll ever be able to get customers to pay for online content."

Believe customers will pay for online content

Believe customers won't ever pay

Neutral



# Revenue from pay models

In the next 12 months.....

One-third think revenue will count for 20% of digital revenue

One in 10 expect content revenue to be  $>20\%$  of digital

20% or more of digital revenue

12

Up to 20% of digital revenue

34

Negligible contribution

48

Don't know/not sure

5

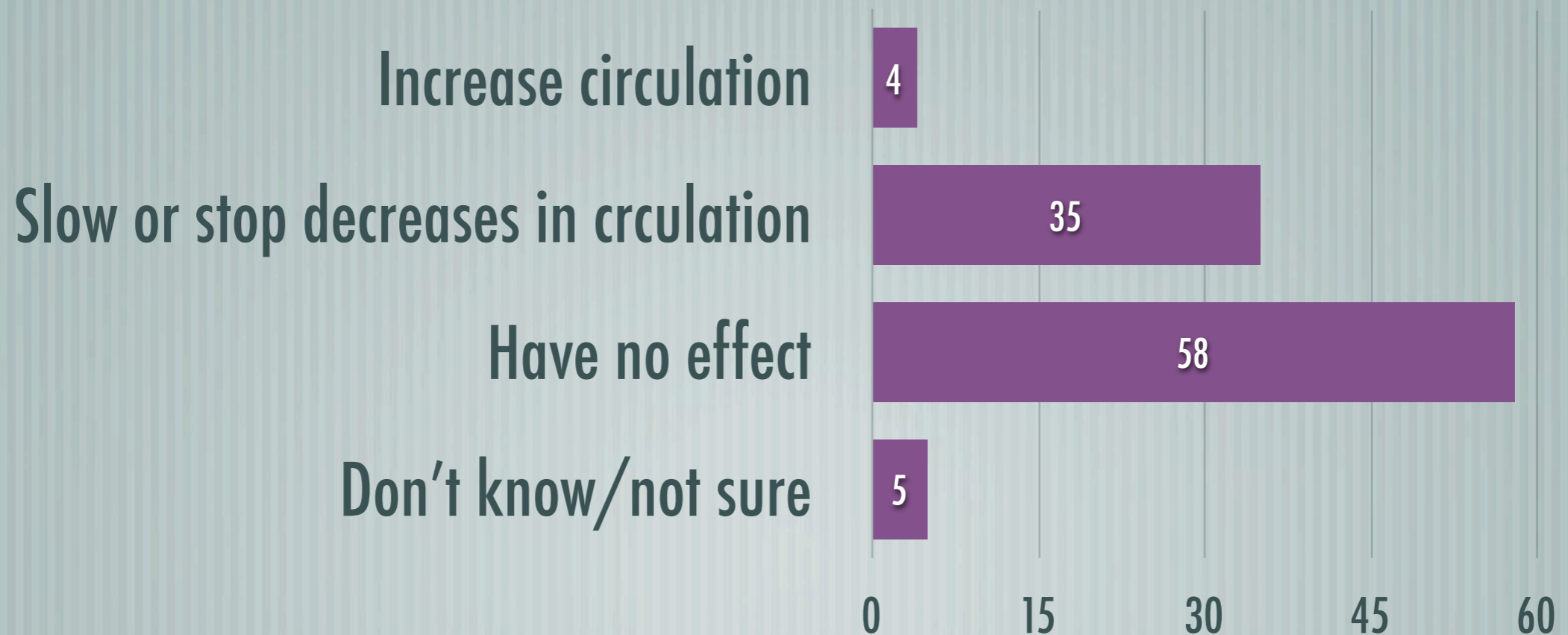
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# Likely effect on circulation

6 in 10 see no effect on print circulation

1 in 3 think paid model will slow/stop circulation decreases

4 percent think circulation might increase



# Likely effect on page views

38% think a paid content model will reduce views by 20%

One-third don't expect much impact on page views



# Takeaways

— [ Papers aren't waiting for others to figure this out

— [ Smaller papers are leading the way

— [ Publishers are finally expecting a long-awaited shift from print to digital revenue

— [ Papers are moving aggressively into tablets and mobile



# Questions?

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