

# **SLOVAK READERS AND THEIR PREFERENCES REGARDING PREMIUM ONLINE NEWS**

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## **ABSTRACT**

The issue of charging for online news content and digital subscriptions is currently an important topic, as it represents one of the sources of financial income of media outlets. Despite the fact that web news represents an important information source, which was also confirmed during the pandemic, not all recipients are willing to pay for the content. The study deals with the issue of charging for news content on the Internet. It presents the initial results of the quantitative research of the recipients, their preferences, payment options and also it explains the reasons for which readers are willing to purchase a subscription. The aim of the research is to refer to the issue of paywalls from the audience's perspective, and also to define the basic traits that unite readers, who are willing to pay for online news content. The questions in the questionnaire focused on the level of willingness to pay for online news, the motivation to pay, but also the reasons for refusing a subscription.

**Keywords:** *charging for online news, paywall, premium online news, reader*

## **INTRODUCTION**

In previous years, publishing houses received direct remuneration for the journalistic content they produced. Anyone who wanted to be informed bought a newspaper for a set price, which, in addition to advertising, formed an essential part of the stable income. However, the advent of the internet and its ubiquity changed everything [1]. Recipients suddenly only had to open a website, click on the desired journalistic article and read it for free. Naturally, this led to an exodus of print newspaper readers to news websites, which, especially from the mid-1990s onwards, began to increase rapidly. However, the outflow of readers also meant an outflow of sales finance, and so publishers began to face a significant problem - how and from what to finance editorial offices if advertising was not a sufficient source of revenue [2]. To keep media companies running, publishers have come up with more or less successful models of charging for their content, some of which have established themselves and spread around the world [3]. This paper discusses payment gateways, the willingness of recipients to pay for online content, but also the positives and negatives that payment gateways bring with them (from the recipients' point of view). The main objective is to present the

functioning of payment gateways in the Slovak online journalistic environment on the basis of a questionnaire survey of the audience.

## **PAYMENT GATEWAYS AND THEIR USE IN CONTEMPORARY ONLINE JOURNALISM**

A paywall is a revenue strategy in which several sections of a site, or an entire site, are locked behind a payment obligation. In practice, it is a blocking of content that can be deactivated by paying a set financial fee or by registering for the website in question. A paywall is content blocking software, usually tied to the obligation to activate a digital subscription. The website will then provide recipients with access to all or a certain set of previously locked content, which may include exclusive content for paying customers or access to the publisher's mobile app. Some subscription types also provide an advertisement deactivation feature [4]. Meanwhile, each portal uses a different monetization method, and the different types of payment gateways can be summarized into basic models due to the similarity of certain features. The three most commonly perceived models of content monetization are the measurement model, the freemium model and the hard payment model. In the measurement model, online media may or may not require users to register. They then record the number of posts that a recipient opens, which can be read in full by that user. If he or she exceeds the limit of free content, he or she must pay a subscription fee. The limit on the number of open sessions is usually set on a daily or monthly basis. The "freemium" or premium model - in this case, some of the texts are free, which is mainly agency news, short reports, news, etc., which are usually fully accessible to all users. Revised reports, extended reports, commentaries and more are already part of the subscription. Recipients are required to set up an account and then pay a monthly, semi-annual, annual, or biennial subscription fee [5]. The full-payment model, or hard payment gateway, means that a user must have an active subscription in order to read most of the site's content. Only a few introductory lines are usually freely available in the posts. At the same time, the online portal often features exclusive content, extensive reports that the reader will not find on other portals [6]. Of course, some portals also use specific forms of monetization. According to research by the Reuters Institute, 14% of recipients pay a subscription to a news site in 2022 [7].

### **GOALS AND METHODOLOGY**

The research was conducted via an online questionnaire survey, implemented from December 1, 2021 to August 31, 2022. We hosted the questionnaire on the Google Forms platform and distributed it via the Internet. The intention of this research was to find out how recipients perceive the issue of payment gateways / paywalls, whether they are or have been active subscribers of online news, what is their biggest motivation in paying for news, or what discourages them from subscribing. However, within the questionnaire, we also investigated where respondents most often receive news from, whether they use the Internet or social

networks for this purpose, and we were interested in whether they use a computer or a mobile phone to read news.

The initial part of the distributed questionnaire included identification questions about the respondent's age, level of education, employment status, i.e. whether he/she is a student, employed, unemployed, a parent on maternity or parental leave, self-employed, or retired.

The main part of the questionnaire was designed in several sections. These were opened to the respondent after marking the selected answer. Thus, a different thread was displayed for a respondent who had an active and paid subscription, another for a respondent who once had an active subscription but no longer had one at the time the questionnaire was distributed. Another was displayed for a respondent who had never had an active subscription but planned to purchase one, and a separate thread was available for a respondent who did not plan to purchase a subscription. With this branching structure, we purposely wanted to include all types of recipients, to get valuable answers about the audience's behaviour and their relationship to monetized content.

As of August 31, 2022, 275 respondents had completed the survey. Of these, 64.4% (177) were female and 33.8% (93) were male. Five respondents declined to state their gender. The largest number of responses, 184, came from respondents aged 18-24 years, representing 67% of the participants. Forty-one respondents were aged 25-34, 19 were aged 35-44, 15 were aged 45-54, 10 were aged 55-64, and we recorded three participants each aged over 65 and under 18. Our questionnaire was predominantly completed by respondents with secondary education with a high school diploma (180), the second most represented group was those with a first degree (43), and those with a university degree with a completed second degree were 33. 184 respondents were students, 59 were employed people, and 19 were tradesmen or entrepreneurs. Among the respondents there were also pensioners or parents on parental leave.

## **RESULTS**

### Sources of information

As many as 87.3% of respondents (240) indicated that they most often get information about current events from the Internet, 13 respondents indicated that they most often watch television for this reason, and ten respondents indicated that they do not pay attention to current events. Of these, six indicated that they were not interested in current affairs, three expressed a lack of trust in the media and one indicated that current affairs had a bad effect on his/her mental health. However, of the 265 respondents who pay attention to current affairs, as many as 258 indicated that they follow news on the internet. It did not matter whether the internet was their primary source or not. Seven do not read news on the Internet at all, mainly because of distrust.

Of the remaining 258 respondents who do read news on the Internet, as many as 209 of them identified the fact that they can determine for themselves which news they read as a motivation. Respondents were given the opportunity to indicate a number of motivations that they identify with as recipients. The second most frequent motivation (144 responses) was that the news on the Internet is always the most up-to-date. The third most reported option (113) was that news content is always available. A relatively large proportion of respondents (75 - 29.2%) indicated that they do not keep up with other media's news coverage, and also 71 people indicated that news coverage on the Internet has the advantage of including discussion and commentary. One-fifth of the respondents are simply interested in news on the Internet.

Interestingly, as many as 32 respondents, or 12.5%, said that they just read the headline quickly on the Internet and that is enough for them. Only fourteen (5.4%) trust the news on the Internet.

Two findings are very significant in our study, namely, 10.9% (27) of the respondents are not willing to pay for newspapers and 8.9% (23) do not like to read newspapers.

The level of interaction could be indicated by the respondents by marking multiple choices. More than half of the respondents said they do not engage in discussion, and a third do not even express their opinion using emoticons. However, 70 respondents (27.2%) use emoticons. Only 10% of the respondents rarely express themselves in a discussion under a shared message on a social network, and just under 7% share messages through their user account.

Among Slovak news websites, the most frequent news sources for respondents are *www.aktuality.sk* (65.1%), *www.dennikn.sk* (52.3%), *www.refresher.sk* (48.8%) and *www.sme.sk* (45.3%). Here we can state that all of the above provide some package of paid content, i.e. they have an active payment gateway / paywall. The most trustworthy portal for our respondents was *www.dennikn.sk* - it was marked by 117 respondents. This medium uses a hard payment model.

#### Access to information

Looking at the most common way that news reaches recipients, respondents mostly use their mobile phone/smartphone to receive news content - nearly 85% of respondents. Just over 8% read the news from a laptop. As for the direct source, only one-fifth of respondents get news purposely via a web browser; on the contrary, more than 67% of respondents access news via social networks. In terms of the time recipients spend receiving news, up to a third of respondents say they read less than half an hour a day. More than a quarter devote from half an hour to one hour a day to news, and just under a quarter watch it for an hour a

day. As many as nineteen respondents, however, said they receive news for up to two hours a day.

### Respondents' attitudes towards subscriptions

Despite the majority of respondents indicating that they most frequently receive content from news sites, nearly 64% of respondents indicated that they do not have an active subscription to any portal and would not consider purchasing one. The main reasons given are that they find out everything they need to know without paying (64.8% of them), they don't want to pay for this type of content (43%) and they don't read the news often enough that they want to pay for it (26%). More than half of those who have never had a subscription and are not even considering buying one would not get a subscription even if it were cheaper. They would be motivated by better quality content (40.5%). Interestingly, of this group of respondents, up to 42.1% of respondents have an active subscription to Spotify and 45.1% to the streaming service Netflix. Almost a third do not subscribe to any similar entertainment services either.

A significantly lower number of respondents said that, although they have never had an active subscription to any news portal, they are considering buying one (12.1%). Like the previous group of respondents, they were most likely to cite the reason for not having an active subscription as being that they learned everything they needed to know without paying and that they didn't want to pay. They mainly consider buying because they became interested in current affairs (almost 55%) and would like to support their favourite portal (35.5%). Almost a third perceive an improvement in the quality of the content, 16% say they see news as a commodity to pay for, just under 10% feel they are in better financial shape, and less than 10% don't want adverts popping up when they read the news.

If they had to choose, they would pay a subscription to *www.dennikn.sk* (74.2%), but would prefer to invest 3-4.99 euros (35.5% of respondents). This group is again dominated by respondents who have purchased a subscription to an entertainment service (*Spotify* - 64.5%, *Netflix* - 58.1%, *HBO Go* - 29%).

Among the respondents, 10.5% of respondents indicated that they had purchased a subscription in the past but no longer have one. Of these, up to 89% revealed that they had purchased a subscription on one portal. Again, *www.dennikn.sk* was the predominant portal, with 48% of respondents having a paid subscription, and 40% had a subscription to *www.sme.sk*. The most common reasons given for having subscribed to a portal in the past were that all the interesting journalism was locked (44.4%), also that they were interested in the content of the medium (37%), they trusted the medium (22.2%), they wanted to support the chosen portal (22.2%), they wanted to see what fully accessible content looked like (22.2%), and they also found the subscription convenient (18.5%). Almost 15% of the respondents purchased a subscription just because they wanted to finish reading one particular article.

These respondents cancelled their subscriptions mostly because they realized that they could learn everything important without paying (44.4%), and they also simply did not want to pay for the content anymore (37%). Interestingly, more than 7% don't actually know why they renewed their subscription. However, almost half of the respondents would consider buying again if the subscription were cheaper. In addition to a more affordable price, however, respondents also cited better quality content, extras such as contests or giveaways, or more content as motivation to buy again. Interestingly, 18.5% of respondents would also be motivated by a better interface of the media outlet's website or mobile app.

Our survey shows that 13.6% of respondents currently have an active subscription to one (57.1% of this group of respondents) or more news portals - 31.4% of people subscribe to two portals and 11.4% subscribe to three portals. Among the portals, [www.dennikn.sk](http://www.dennikn.sk) and [www.sme.sk](http://www.sme.sk) again predominate. As reasons for having an active subscription, respondents most often cite that they trust the media outlet (71.4%), want to support their chosen portal (62.9%), want to be better informed (60%), all interesting articles have been locked (60%), and overall they are intrigued by the content of the outlet (51.4%). Interestingly, 25.7% reported that they purchased a subscription because they wanted to finish reading one particular article.

Meanwhile, three-fifths of the respondents indicate that they find the subscription price reasonable. A third state that although it is reasonable, they would accept a lower amount. Five per cent of respondents state that they find the price low. Almost 70% of respondents have not considered cancelling their subscription at all. Just under 29% would accept more interesting content, 25.7% of respondents would prefer more content to be available, and just under 23% would accept a better interface for the media outlet's website or mobile app.

## CONCLUSION

From the above data, we can conclude that a part of the population will continue to refuse to pay for news content, even if the content is changed or its price is reduced. But better quality content is something that would motivate more people to become subscribers to news channels. However, this is precisely the option that carries a great deal of subjectivity. For what may appear to be quality to one may not reflect the quality measure of another. The data confirms that the proportion of subscribers paying for content is around 13%, so the results of our investigation are consistent with Reuters Institute research [8]. Our research concludes that the most common reason why recipients choose to purchase a subscription is because of trust in the chosen medium, as well as targeted support for that medium. Almost two-thirds of the respondents want to be better informed, which suggests that they consider the content of the selected media outlet to be a better source of information than that of other media outlets not publishing behind a payment gateway. We can see the potential in the group of people who report that they only bought a subscription because they wanted to read one particular

article. However, this is 15% of respondents falling into the group who have purchased a subscription in the past and no longer have an active subscription. But even up to a quarter of people who still have an active subscription came to it in a similar way - i.e. they just wanted to read one particular text. It is precisely these recipients who, once they have subscribed, it is important to persuade them to persist with their subscription [9]. In addition to the aforementioned "quality" content, competitions or other specific bonuses can also be used as motivation. As a result, you can gain more stability in financing the running of the editorial office.

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