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# Key variables in willingness to pay for online news content: The professionals’ perspective

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## Abstract

**Introduction:** This article analyses the potential business models that can allow the sustainable survival of news media companies through a content payment system and aims to identify the key variables that can influence consumers’ willingness to pay for online content. **Methods:** The study is based on in-depth interviews with professionals from the fields of communications, digital marketing and news companies, and on the review of scientific literature and reports issued by prominent organisations in the media and communications sector, concerning the commercialisation of online news content. **Results:** The study has confirmed that it is difficult to achieve the acceptance of a

payment model for online content among Internet users, but also that it is possible to develop a model based on variables that determine the willingness of users to pay for online information.

**Discussion and conclusions:** The success of a payment model for news content on the Internet is linked to its added value, which depends of four quality variables: specialisation, differentiation, exclusivity and accessibility.

### **Keywords**

Media; economic model; financing; Internet; professional staff.

### **Contents**

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Translation by **CA Martínez-Arcos**  
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## **1. Introduction**

Since the late 20<sup>th</sup> century, the media and, in particular, the press have faced a systemic and economic crisis and have sought to establish a funding model that can allow them to survive on the Internet. The fall in advertising revenues, the need to re-invent, renew and digitise the newsrooms and the technological conversion of the news production processes, have placed the media in a complex economic situation, which is further complicated by the culture of “totally free content” to which many Internet consumers are accustomed. New digital media with engaging content emerge very often but die after just a few months due to lack of economic viability, while the traditional media that have already migrated to the Internet are testing payment models that, with limited exceptions, have failed and had a high cost in financial and image terms.

The Internet has opened a whole new world of possibilities to consumers and has significantly modified the form to access information. The consumer of the 21<sup>st</sup> century has access to an infinite catalogue of content that is renewed constantly, is highly specialised, and is available mostly free of charge, 24/7, wherever, whenever and however, thanks to mobile devices. This same consumer, who used to be, with a few exceptions, a passive receiver of messages, is now an active agent who comments, posts, shares and sometimes conditions content as never before.

The objective of this research is to identify the key variables that determine the willingness of Internet users to pay for news content and the perceptions of the added value provided by those variables that can be decisive in the payment decision making process. The study considered the opinion of professionals in the digital communication market about the problem of the economic model that can sustain news media on the Internet. To this end, we have chosen a panel of seven experts who occupy high-level positions in different professional areas (business management,

content, marketing, product development) and media companies (press, radio, television, news agencies) who can provide an overview of the situation of the very complex and changing market and can recommend possible models for the future. The fundamental research questions this work aims to answer are:

1. What are the online news contents or services that consumers are willing to pay for?
2. What are, from the point of view and experience of news media companies, the variables that determine people's willingness to pay for content?

### **1.1. A new scenario for a new consumer**

The development of the Internet has led to the emergence of a new type of consumer, the so called prosumer (Toffler, 1981), due to his power to generate content. This was predicted by Marshall McLuhan and Barrington Nevitt (1972), who pointed out that electronic technology would enable the consumer to simultaneously assume the roles of content producer and consumer. Toffler (2006) argued that the activities of prosumers would define the direction of the so called "invisible economy". Levine *et al.* (2000) highlight the transformation of passive consumers into active prosumers thanks to the web 2.0, while Tapscott *et al.* (2001) used the term "prosumption" to define the behaviour of people whose knowledge and work add value to business networks in the Internet.

In the information market, the new consumer access content immediately, from different media and places and at any moment. In addition, the new consumer has access to an unlimited amount of information, which grows exponentially, comes from very diverse sources, and is not always backed up by credible sources. Moreover, thanks to the technological development, the new consumer access content in mobility, from anywhere, through increasingly sophisticated mobile devices.

The features of the Internet have changed the way of consuming information. Short, dynamic, easily accessible, understandable and shareable audiovisual content gain ground over in-depth information content. Gallardo Olmedo (2011) argues that in contrast to the unhurried reading of the print press, Internet readers no longer consumed newspapers but news. Vara Miguel (2012) highlights that traditional media are competing with content providers that base their economic model on the amount or volume of users and visits regardless of the quality of the content on offer. We are living in the era of memes, irrelevant content that make a surprising social impact in few hours and are result relevant for the new consumer who:

- Decides when and how to access content
- Can choose from an infinite variety of content
- Cannot always be sure of the veracity of the content
- Sometimes does not value the consumed content

- Moves actively in social networks, which become his information sources
- Accesses content through mobile devices at any time and from anywhere

Paradoxically, new technologies allow news media companies to get to know their customers as they never did before. The network registers access, consumption times, routes and interactions, which is data of great value to answer the key questions of any company: what does this new type of consumer want? What is important, interesting and relevant for him? What is the added value that the consumer is willing to pay for? Thus, media companies work with Big Data analysts to process and make profitable that information. For example, in November 2016 the Mediaset Group launched an offer of employment directed at professional advanced data analysts, big data architects, data managers and data scientists [1].

## 1.2. A payment model for news content

The conclusions of the Digital Media Meeting of the World Association of Newspapers and News Publishers (WAN-IFRA, 2013) indicated that the success of digital content on the Internet will fundamentally depend on two factors: on the capacity of all the media companies to agree on one payment formula and on the added value that each medium offers.

If making the digital media of all the world to agree seems impossible, defining the profile of the consumer that is willing to pay for content is not any easier. The reports published annually by important institutions in the data analysis sector (Reuters Institute Oxford University, 2014, 2015, 2016; AIMC, 2015) indicate that the percentage of people willing to pay is very limited, while the results of different scientific studies conclude (Salaverrria 2001; Macnamara, 2010; Castells, 2009; Miguel-de-Bustos and Casado-del-Río, 2010) that users do not pay for news content on the Internet simply because they can find it free of charge on other websites.

Ye (2004) found out that the free-of-charge nature of online services is one of the most valued criteria when accessing a website and that it is difficult to change the perception on the need to pay for a service that users have consumed for free from its beginning, although a percentage is willing to pay for services rated as best. Other authors such as Chyi and Yang (2009) show that online news stories are perceived as less useful or desirable than printed news, but also that many consumers do not always consume what they prefer but what they can get for free. Users who are willing to pay would do so provided the content is valuable, that it is not available for free on the Internet and that the payment mechanism is simple and adequate (Herbert, 2007).

With regards to age, gender and income, Chyi and Yang (2009) found a negative relationship between income and propose that young people are more likely to pay. For his part, Punj (2013) found out a relationship between income and education and the amount of money people would be willing to pay, while willingness to pay itself is linked to age and sex. The finding about the importance of age is relevant because several authors (Punj, 2013; Chyi and Yang, 2009) clearly point out the generation gap between those who have migrated to the Internet and the digital natives

who have grown up with a direct relationship with the Internet and are more accustomed to pay for other types of content or services (music, video games, trips, etc.), while issues such as the specialisation of the information, low price and transaction security appear to be the only factors affecting the willingness to pay for content among young people (Marta-Lazo and Segura-Anaya, 2015).

In what all authors seem to agree (Herbert, 2007; Parra, 2008; Franco, 2005; Gallardo 2011; Goyal-Martínez, 2013) is that the key to the success or failure of a model will be the added value. Only when digital media become capable of providing this added value, users will be willing to pay for digital content.

However, the Internet has consolidated a culture of free content, in which access to information is free of charge, and users reflect a growing resistance to pay for content (Miguel-de-Bustos and Casado-del-Rio, 2010; Macnamara 2010; Castells 2009; Chi and Yang 2009). The share of people willing to pay for online news content represent between 10% and 15% of the total amount of readers, according to different and successive studies that have not detected an increase in this figure in the last years (Price Waterhouse Coopers, 2009b; WAN, 2010; PEJ, 2010; Reuters Institute Oxford University, 2011-2016). The consolidation of the culture of free content is such that 74% of the users would seek out other means of free access if their favourite website decided to charge for news content (WAN, 2010). This trend has been reinforced by the web 2.0, whose logic is based on collaboration and cooperation and often forgets the concept of intellectual property when sharing content created by others.

Reuters's annual Digital News Report (2016), based on the opinions of more than 2,000 representative users who had consumed news in the last month, points out that the intent to pay for news content remains stuck in 10%, that the use of ad blockers continues to grow, that the mobile phone continues gaining ground as a learning tool, and that Facebook has become consolidated as the preferred platform for sharing news, with almost 50% of followers. In addition, it is important to note that 71% of Spanish Internet users would never pay for digital news.

### **1.3. The perceived added value of Internet content and services**

In the current context, with an unlimited offer of content available for the consumer on the Internet, the concept of value perceived by consumers becomes especially relevant, especially from the perspective of relationship marketing. Kotler (1996) notes that the value perceived by customers is one of the keys to the success of businesses today, especially due to the effect of this variable on the relationships with customers. Zeithaml (1988) defines the concept of perceived value as the general judgment performed by the consumer about the usefulness of a product, based on the perceptions of what it provides and beyond the first analyses in which the price variable had an important specific weight. Woodruff (1997) defines the added value as a preference and a perceived evaluation of those attributes of the outcomes and consequences that result of the use that allows the client to achieve its

objectives in the different situations of use. Gallarza and Gil (2006) analyse the nature and dimensions of the concept of added value and note that the variable has a dynamic character, since it evolves over time as the estimations of consumers change. In addition, it is a subjective value, because it is based on individual perceptions (Woodruff, 1997; Parasuraman, 1997). Most research studies on the importance of the added value give importance to the quality, price and purchase or consumption experience (Parasuraman and Grewal, 2000; Kerin et al., 1992). In this sense, the added value perceived in the quality of the product includes the price and quality of additional services. Holbrook (1994) highlights the experience of consumption as a determinant in the perception of the added value.

The opportunity that the Internet offers to make online purchases provides a new perspective to the concept of perceived added value. Chang, Cheung and Lai (2005) highlight that the additional benefits are considered as one of the main factors that precede the online purchase. Chen and Dubinsky (2003) developed a model of analysis for the generation of value for consumers in the field of e-commerce with four components: the online shopping experience, the perceived quality of the product, the perceived risk and the price.

In the field of information on the Internet, the medium itself is what offers an added value in comparison to the traditional print medium for newspapers readers (Chyi and Lasorsa, 2009; De Waal et al., 2010), such as the immediacy of contents, the possibility of going to different sources of information easily and without effort, and the constant updating of news content. Wang et al. (2005) point out that the willingness of users to pay for online content or services is positively related with their perception of convenience, essentiality, added value and service quality, as well as the usage rate of a particular service. In addition, their willingness to pay is negatively related to the perceived unfairness in a subscription-based online service model. The authors isolate the key factors that make a consumer pay for a service provided via the Internet:

1. **Convenience:** Instead of devoting time to the potentially unproductive search for similar content free of charge, consumers may decide that the convenience of having immediate access to the desired content is a benefit that is worth paying for.
2. **Essentiality:** the perceived value of an information product depends on how important or essential it is to satisfy the information needs of consumers. Increasingly, online information providers are encouraged to concentrate on specialised content that is very difficult, if not impossible, to find elsewhere (Shapiro and Varian, 2000).
3. **Added-value:** According to a study carried out by the Association of Online Publishers (2012), consumers seem more willing to pay for the content they consider to be of superior quality, exclusive, and more capable of meeting their emotional needs.
4. **Perceived service quality:** while certain information can be accessed for free, it is conceivable that consumers may be willing to pay for the same information if the quality of service is significantly better (Kettinger and Lee, 1994)

5. **Usage rate:** the attitudes of consumers towards paid online content are fundamentally influenced by a rational analysis of the cost-benefit relationship. If a consumer usually accesses online content or services, it is possible he will be willing to pay to continue having access to this content.
6. **Perception about the right price:** Several studies have confirmed that consumers tend to perceive a price as unfair when the digital products that are sold online are priced equally to those that are sold through traditional channels (Suter & Hardesty, 2005). Consumers believe that products that are sold online should have a lower price.
7. **Security in shopping:** consumers may not be willing to use subscription-based online services simply because they are reluctant to pay via electronic devices.

In general terms, to create a higher value, digital media, both paid-for and free, use three strategies that have been summarised by Goyanes (2013):

1. They provide information that for some reason has added value for the customer: exclusivity, high added value (prestigious firms), niche and specialised news, customisation and individualisation and the inability to find those contents in free access websites.
2. They take advantage of the value of the brand of the printed editions, dumping their contents in the digital edition and using these to offer something that up to now the press could not offer: immediacy. The digital medium takes advantage of the resources, intellectual production and credibility of its traditional counterpart, and in doing so offers what until now was the exclusive heritage of radio and, to a lesser extent, due to the associated costs and the rigidity of its production structure, television.
3. They combine the previous two strategies, developing online content that values the Internet user and do so by taking advantage of the resources and prestige of the print edition's brand.

In recent years, and according to the results of numerous academic and professional studies, online media have tested an infinity of models ranging from rigid paywalls to free access exclusively financed by advertising, and including those who bet on mixed formulas, and survive thanks to micro-patronage, while other media are testing new models that include complementary formulas such as event management.

## 2. Methods

This research study aims to analyse the problem of the economic model that can allow the digital media to survive on the Internet, based on the point of view of the professionals who are actively involved in the digital communication market from management positions. To this end, we selected a panel of seven experts from different professional areas (business management, content, marketing, product development) and media platforms (press, radio, television, news agencies) in order to offer

an overview of the situation of a very complex and changing market and identify possible future models.

The study adopts an exploratory approach based on in-depth interviews with digital media professionals, processed with ATLAS.TI, a qualitative analysis software for content research, in order to know their perceptions about the payment for online content and identify the key factors that provide added value to boost the purchase decision. In parallel, in order to complement the analysis, we reviewed the state of the art, which is presented in the introductory section and includes recent professional reports and international research studies on the evolution of the advertising market, the consumption profiles of readers/spectators/Internet users and the development, use and implementation of the Internet.

The sample consists of a total of seven semi-structured interviews with active professionals in the world of communications, marketing and digital media. We understand that the problem of monetisation of content on the Internet and the development of a business model goes beyond a certain area of each organisation and necessarily involves content producers in press, radio and television, marketing managers, commercial experts, system developers, etc. Therefore, we sought to interview renown professionals who can make relevant contributions (either for being pioneers, their career or their deep knowledge of the sector), and can offer a better understanding and a global and deep view of the problem under analysis. The professional profiles that were taken into account for the study are as follows (Table 1):

**Profile 1.** Directors of media companies (press, radio and TV) with experience in digital developments, who have actively participated in the creation of new proposals of digital communication or the transformation from conventional to digital media.

**Profile 2.** Directors of professional associations related to digital communication, such as the Spanish Association of Online Radio (AERO), the Online Publishers Association Europe, the Spanish Association of Digital Media, and the Spanish Association of Periodical Publications (AEEPP), etc.

**Profile 3.** Freelance, self-employed and entrepreneurial journalists who have created a digital news medium in the Internet as a self-employment initiative [2].

**Profile 4.** Marketing experts who can provide a purely economic view of the problem under study.

The interviews aim to define a series of variables that media professionals consider decisive when it comes to designing a business model that favours people's willingness to pay for online content.



**Table 1. Profiles of interviewees**

| INTERVIEW | SECTOR                                | COMPANY / ENTITY  | POSITION   |
|-----------|---------------------------------------|---|--|
| 1         | <b>Profile 2.</b><br>Digital radio    | AERO. Spanish Association of Online Radio                   | Member of the Board of Directors. Professional with over 30 years of experience in radio. Consultant and entrepreneur in digital radio projects. |
| 2         | <b>Profile 3.</b><br>Digital press    | Entrepreneur founder of digital media projects.             | Journalist. Public office in the field of technology. Experience as an entrepreneur in digital projects.   |
| 3         | <b>Profile 4.</b><br>Marketing        | Digital Marketing Consulting                                | Expert in digital marketing. External consultant at leading companies.   |
| 4         | <b>Profile 1.</b><br>Television       | Arait Multimedia S.A.                                       | TV expert, with extensive experience in product development and new formats.   |
| 5         | <b>Profile 1.</b><br>Multimedia group | Logenia Digital (joint venture of Heraldo & La Información) | Director in Communication Group with important national growth.  |
| 6         | <b>Profile 3.</b><br>Digital press    | Aragon Digital Group  | Journalist. Director and founding partner in a digital project pioneer in the 1990s.   |
| 7         | <b>Profile 2.</b><br>Consulting       | Online Publishers Association Europe (OPA Europe)           | Director in Online Publishers Association Europe. Wide experience in creation and migration in digital media.                                    |

Source: Authors' own creation.

The research study was developed in three phases. The first phase focused on determining the relevant professional profiles, according to the aforementioned criteria.

The second phase consisted in contacting the selected respondents, mainly through LinkedIn, a social network for professional contacts that allowed us to choose the interviewees according to very specific profiles. Once this first contact was made, we set a date and place for the completion of the interview. The interviews were conducted between May and September 2015, in a face-to-face basis and preferably in the workplace of the interviewee, except in cases where the logistics did not allow it. All the interviews were recorded with the explicit permission of the interviewee.

All interviews were guided by a questionnaire divided into three major thematic blocks, but this structure was modified when needed during the course of the conversation in order to delve into particularly relevant issues.

The questionnaire was structured in three blocks preceded by context information to analyse interviewees' perception of the digitalisation of the information market and the value provided by the Internet to consumers and the media.

The interviews were analysed with the ATLAS.TI, a content management software, with the purpose of isolating the most noteworthy statements that defined each interviewee and the criteria of added value and perceptions about users' behaviours, which could be used subsequently in the focus groups. Therefore, we created and identified hermeneutical units corresponding to the research and selected the quotes related to each one of them. Afterwards, we selected the codes that defined the key factors of added value proposed by the interviewees. The allocation of codes determines the relationships and bonds that were subsequently established between the quotes and the research results. The analysis also involved the identification of codes of exclusivity, differentiation, quality, specialisation, distribution and militancy, among which different links and relations of association, membership, cause, contradiction, property, dependency and opposition were established, and based on which we created a map of relationships that allowed us to draw conclusions.

### **3. Results**

The qualitative research in this analysis has focused on the detection of variables that may pose a perceived added value in the willingness to pay for content.

In response to the research question that analyses the variables that generate an added value in the market of news content, most interviewees agreed on the difficulty to convince users to pay for something they are accustomed to get for free, especially in a country in which the quality of information is not valued and where many news media obtain great part of their content from press releases and news agencies, which are accessible to all media in general. Exclusive news stories are expensive and the digital field, with a continuous update, makes it very complicated to monetise them. However, the analysis of the interviews identified up to twelve different variables that determine the added value in the payment for content, as shown in Table 2:

**Table 2. Variables that generate added value in payment for content**

|  | Interviewees |   |   |   |   |   |   |
|--|--------------|---|---|---|---|---|---|
|  | 1            | 2 | 3 | 4 | 5 | 6 | 7 |
| Lack of advertising/use of different advertising |              |   |   | # |   |   |   |
| Access to content on demand                      |              |   |   | # |   |   |   |
| Contents that provide happiness                  |              |   |   | # |   |   |   |
| Exclusive and differentiated contents            | #            |   |   | # | # |   | # |
| Support towards a project                        |              | # |   |   |   |   | # |
| Micro-segmented services                         | #            |   |   |   |   |   |   |
| Exclusive services                               | #            |   |   |   |   |   | # |
| Support towards a cause                          | #            |   |   |   |   |   | # |
| Prestige associated to the medium                |              |   |   |   |   |   |   |
| Ease of use                                      |              |   | # | # |   |   |   |
| Hyper-specialisation                             |              |   |   |   |   | # |   |
| Quality of content                               |              |   |   |   | # | # |   |

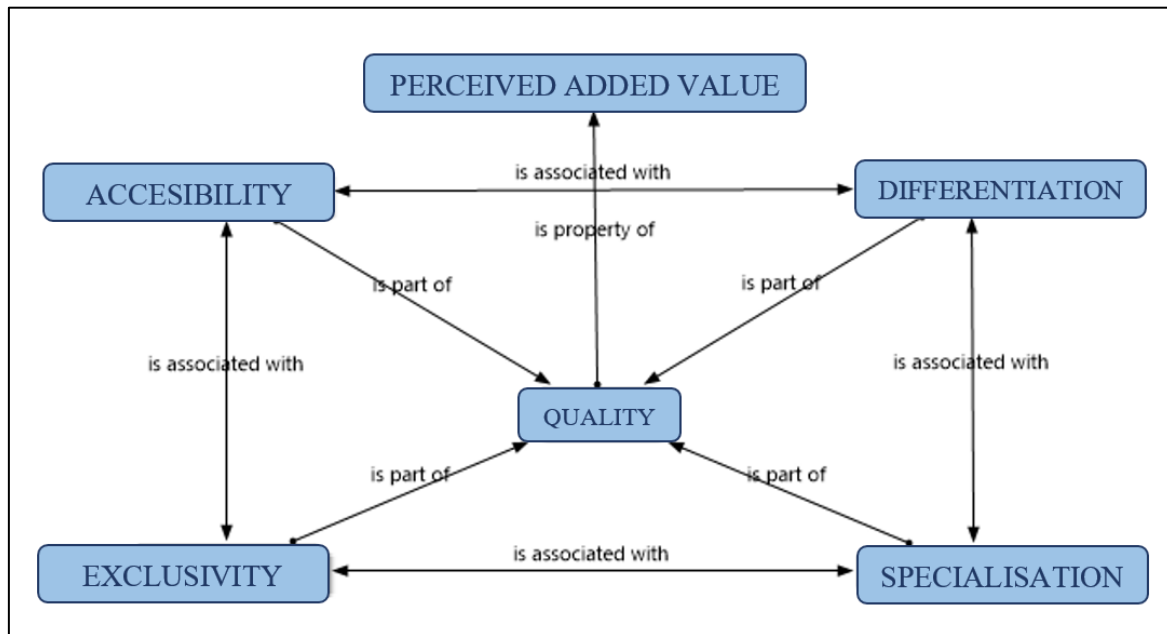
Source: Authors' own creation

The analysis of the factors highlighted by respondents allows us to propose five key variables or concepts that summarise the main determinants of the value perceived by users in the purchase of news content on the Internet. These variables are related, as shown in Figure 1, in which the perceived added value is based on the quality of the news content, which is in turn determined by four factors: specialisation, differentiation, exclusivity and accessibility.

Professionals understand specialisation as an offer targeting a niche market, with very segmented and very motivated consumers who are willing to cover the cost of highest-level products. An example is the development of podcast platforms specialised in comics, movies or video games, which have a limited infrastructure but reach million downloads thanks to content designed for niche market that thanks to the Internet is universal and easy to access.

Respondents have pointed out that a fast, simple, cross-platform access that adapts to the rapid evolution of devices is key in the perception of quality service. However, accessibility, of whom the Internet is an ally, faces the challenge of an extraordinarily fast technological development and the structure of the market, with companies that develop different platforms and formats of access and use and establish strategic alliances to solidify their growth and protect themselves from the competition.

**Figure 1. Factors of the perceived added value**



Source: Authors' own creation with ATLAS.TI.

Differentiation is provided by the quality of the content in a market in which most media companies are limited to replicate news releases and even offer contents that other companies have produced. While interviewees agree on the difficulty of recovering the concept of “exclusive news” in a medium like the Internet, where novelty expires in a few minutes and contents are reproduced and copied over and over again, they keep on betting on prestigious firms, and propose the use of their own themes, stories, reports and on-site live reports.

Finally, exclusivity is determined by membership to a differentiated group, with which the user identifies and shares values, and one that transcends the figure of the mere consumer. Exclusivity is the proposal of the media companies that want the subscriber to become a partner or collaborator to finance a certain journalistic model, linked to specific values, which are sometimes political or ideological. This exclusivity is understood in various fields ranging from hyper-specialisation of contents that are only accessible to a specific sector that is committed to the principles that identify the group.

Several interviewees agreed that the generational variable is a problem, which to some extent also plays in the differences between the media born in the Internet age and the media that have migrated completely or partially to the Internet. Young digital natives consume content differently while the

management of media companies remains in the hands of another generation with very different values and codes.

Ultimately, interviewees do value the possibility of payment for content provided this content is exclusive, has a high quality, has easy access, is placed in a single platform and, above all, is hyper-specialised.

When asked about the possibility of paying for information content, most interviewees agreed that the free access to information, of greater or lesser quality, and from many sources, to which consumers have become accustomed to, greatly hinders the implementation of a payment model for online content, since that content, in one way or another will always be available for free, although the perspective changes when the content has the attributes of quality and specialisation.

“I don't think that it is possible for content to be unavailable anywhere else, but if it is good and differentiated people would want to consume it. What will never work is the published press releases. Well produced content, well-told exclusives, those things, if we go deeper into them, that is going to work” (Interviewee 5).

“It will be very difficult for national and more for regional and especially local media to charge for content, unless they produce very specialised and very differentiated information content, with great added value, for which people is willing to pay” (Interviewee 6).

“What we have seen in a market of almost perfect competition is that we are always going to find someone to inform us, to tell us, satisfactorily; it is very difficult to find something truly unique, distinct, for which people are willing to pay” (Interviewee 7).

“The key is what we offer to them, what type of contents, and who makes that content” (Interviewee 5).

The niche market is seen by respondents as one of the more realistic options when it comes to proposing a payment model based on subscription or fee bases. These niches, based on themes, geography or social proximity, determine ideological proximity and the feeling of belonging to a group. This added value is accompanied by that of the brand, which in the case of the communication market depends on quality and credibility.

“There are more specialised services that use platforms, like mobile phones, and a brand, and through the credibility that a brand provides you can search for a specific service and you are willing to pay for the mobile version of that service, for example a special guide of restaurants recommended by the editor or the recommendations by a doctor... things based on services that are finding revenue from specific points by relying on the prestige of the brand and its credibility (Interviewee 7).

“There are people who are already doing it, there are media with a different, exclusive proposal, with a differential language, with a distinct ideological position, they are offering

different models, not so much of payment for contents, but of payment for services, or the occasional payment when users simply support the medium to complement the revenues from advertising, which are very volatile” (Interviewee 7).

The problems identified, again, are the oversaturation of the market, because even if there is willingness to pay, the offer is so wide that sometimes it goes beyond the capacity of the consumer, while this same consumer has become accustomed to a new way of accessing and consuming information, to clicking on news and videos from different social networks, aggregators, and the front pages of the digital media.

“Therefore, the fight between media companies is like offering what one is willing to pay, because I assume that what I want to watch is what they are going to watch. And I cannot pay for everything they want me to pay. Now we consume three times more content and we cannot pay for all of it” (Interviewee 3).

The second problem, the production of quality content is expensive and little compatible with small and little specialised newsrooms:

“Quality content is expensive and the media, at the time they are living now, are not committed to quality. We are tired of hearing “I want different contents”. Okay, but what are these?” (Interviewee 1).

The issue of accessibility emerges again and provides the content distribution service, as well as the platforms, with one even greater value.

As we have already pointed out, the new consumer chooses the time, the place and the contents, but does he considers making a global payment or does he understands that the rate of access to the Internet is already the payment?

“The point is that at the end they all must reach agreements. A platform that contains all. Now everything is separated: books, series, movies, media... at the end you pay for some things, but not for others... (Interviewee 3).

“Up to now we have been wrong. The existing formulas on the market are not working. Even in Spotify the number of paying users is very low. I have the impression that the crux of the matter is in the advertising models and has to do with the moment of truth, the moment to decide to pay” (Interviewee 1).

“What do you consider more viable in the audiovisual field: a global subscription model or an on-demand consumption model? I defend the second model to death” (Interviewee 4).

#### 4. Discussion of results and conclusions

The analysis of the research results confirm that the professionals of the sector propose a common diagnosis of the current situation of the current communication market. They agree that there is a global change, which affects top down all the diagrams and models underpinning the traditional communication model. The following quote from one of the participants in the research is significant in this regard: “the emergence of the Internet has meant the end of the era of the dominant channel. It has inaugurated the era of the complexity of the multichannel” (Interviewee 1).

We are facing the end of the one-directionality of the message, of the medium as prescriber, of the reader/listener/viewer as a mere spectator, of traditional advertising as the main source of income, of the media with the attributes that used to differentiate them. Internet creates a new model of communication that requires us to rethink the traditional structures and opens a scenario of uncertainties and opportunities.

The media reinvent themselves in the Internet and cease to being mere informants to become providers of contents and services. The experts are betting strongly on quality, on the growing specialisation that enables the new media to become stronger in their specific niche markets, which will be determined by geographic proximity or affinity of interests. Users will be willing to pay for content provided it is of high quality, relevant to their interests, exclusive and unavailable anywhere else. Belonging to a group or a community is emerging as a new and interesting value to take into account in research in this area.

Our research allows us to propose a payment model for the news market on the Internet linked to the added value perceived by users. This perceived added value is based on the quality of the product, which is in turn determined by four factors: specialisation, differentiation, exclusivity and accessibility. Specialisation is understood as an offer directed at a niche market, with very motivated consumers who are willing to cover the cost of a product of the highest level. Differentiation is provided by the quality of the news content itself in a market in which the vast majority of the media are limited to replicate news releases and press releases. However, the concept “exclusive” also changes in the era of the Internet, and gives way to new terms and concepts such as “own theme”, “reports” and “on-site follow up”. Exclusivity is provided in the case of digital information by the membership to a differentiated group, with which the user identifies and shares values. This is the objective of some media companies that want subscribers to become “partners” or “collaborators” to finance a certain model of journalism, linked to specific, not necessarily political, values. Finally, a simple, fast, cross-platform access that adapts to the rapid evolution of the devices is presented as key in the perception of quality service.

The model we propose, therefore, combines the four factors with the concept of quality, which is still trusted by our research participants, although they are aware of the difficulties. Regarding the issues the interviewees point out, they include the oversaturation of the market, the cost of producing quality content and the existing payment systems and the difficulty of deciding between a total subscription platform, integrated or not with other media or the consumption-based payment model.

At this point, we also emphasise the threat posed by large technology companies and platforms like Google and Facebook, which use the contents produced by others to centralise the largest supply of the market. The presence in social networks, which currently no one questions given that many media have seen that the number of users who seek direct access to the medium has been surpassed by the number of users who reach specific contents through direct links, will evolve towards new contents, increasingly diluting the differences between newspapers, radio and television. The audiovisual platform is emerging as the unique model provided it can give users a simple and global access to all the contents they demand.

At the same time, the extreme micro-segmentation of the offer is already possible precisely thanks to the use of tools to manage and interpret the data obtained from digital records. The way each government legislate the use of such data and the sensitivity of users towards their privacy will define largely the direction taken in the future, not only with regards to the management of that sensitive data but also regarding their effects on content themselves, given that consumers are determining already, in some media and in an unconscious way, the contents. The media change their editorial criteria regarding what is important and interesting in order to provide consumers with the type of products they demand. Consumers can now measure the relevance of contents thanks to software tools. In this way, the line between information and advertising is diluted more and more with new advertising models such as sponsored content and narrative advertising.

The search for a business model remains the main challenge while the production structures are adjusted and strategic alliances are established, while it seems to be sufficiently proven that despite the attempts to charge for access or to implement sponsorship formulas, the digital media have and will continue to have a more or less fruitful source of income in commercial advertising. The problem of the falling prices and advertisers' suspicion about the results of digital advertising are favouring the development of new advertising models which, as mentioned, blur the line up to now clearly established between information and advertising. On what everyone agrees is the need to diversify the sources of revenue precisely because there is not a model that can completely ensure the viability of the business.

This approach, which consists in drawing part of our conclusions from the interviews with prestigious professionals active in relevant positions of the communication market and from different perspectives, provides a special relevance to the obtained results and adds value to their application. The results offer a detailed and current image about the changes that the Internet has introduced in the model of communication, the added value of the contents and services offered by digital media and the potential business models arising in a very competitive and changing market that has been punished by the economic crisis.

The conclusions also allow us to propose other areas of research, including the influence of group membership (whether political, geographical, sports or any other interest) on the motivation to financially support digital journalistic media in operation and even under construction. A second area of research is the interests of users, in order to know their orientation towards the payment model, as



well as the social audience, the social networks and their translation into readers or subscribers. The third possible area interest is the potential effect of users' deep knowledge on the information content, given that the data obtained from users' browsing profiles can condition the editing criteria of the media. In this sense, we know that changes in the mode of access to information, through aggregators and networks social lead to the consumption of information in jumps, from one medium to another, in very short reading times and to the privileging of images and videos. Can this mode of consumption cause the trivialisation of information?

Finally, we consider that the analysis has shed light on the reality of the communication market and the monetisation problems affecting the media model in a context of profound crisis. The added value is provided in our case by the research approach and the profile of the selected sample, since there are no previous analyses from the perspective of the executive positions that take strategic decisions on the present and the future of the media. Their views have allowed to propose a model and to open up new and interesting research areas that will run parallel to the technological changes of the market and society itself.

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## 5. Notes

[1] [http://www.mediaset.es/Mediaset-profesionales-desarrollo-comercializacion-publicitaria\\_0\\_2284275395.html](http://www.mediaset.es/Mediaset-profesionales-desarrollo-comercializacion-publicitaria_0_2284275395.html)

[2] According to the 2015 White book of the press, of the Press Association of Madrid, from 1 January 2008 to 25 May 2015, 451 digital media were created in Spain.

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