

Net Loss: Most Online Readers Won't Pay For Content

Erik Sass, Oct 27, 2009 06:01 PM



The latest plan to save newspapers -- charging for online content, perhaps with a system of micropayments -- has been slightly deflated by a new survey from Ipsos Mendelsohn and PHD, which found that over half of online readers said they wouldn't pay for online content.

This is due partly to their conditioning over the last decade of Internet use, when they grew accustomed to getting online content for free. That's an irony, considering that free delivery was the newspaper publishers' own online strategy.

Specifically, the survey of 2,404 American adults by Ipsos Mendelsohn and PHD found that 55.5% of respondents said they would be very unlikely to pay for online content from newspaper or magazine publishers, versus 16.5% who said they might pay (including a number of fence-sitters).

The numbers may be due to the fact that they engage with online content less intensely, or at least for a shorter period of time. On average, respondents only spent about nine minutes reading a print publication's Web site, versus about 18 minutes for the print product.

But only 3% of respondents actually read both the Web site and the print publication -- implying that the increase in online reading is correlated with a decrease in time spent with any individual publication's brand.

The survey by Ipsos Mendelsohn and PHD is not encouraging for newspaper publishers hoping to rebuild online revenues with paid subscriptions or a system of micropayments for individual pieces of content. However, there are a variety of different approaches to charging for online content; some might work even if only a small percentage of online readers agree to pay.

One of the most-discussed proposals for a micropayment system comes from Journalism Online, founded by Steven Brill, which has assembled a consortium of newspaper publishers with the goal of designing and implementing a flexible micropayment scheme that could be used across multiple sites.

Responding to skeptics who argued that most people won't pay for online content, Brill has said that Journalism Online's model would only require 10% of visitors to pay for certain, selected premium content, with the other 90% still able to view regular content for free.

