

## **BCG: People Won't Pay Much For Online Content**

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Consumers may be willing to pay for online content, but they won't pay much, according to a new study from the Boston Consulting Group, which conducted a global survey of 5,000 respondents in America, Europe and Australia.

While attitudes varied between the nine countries surveyed, BCG found that Americans, on average, were more receptive to the idea of paying for online content -- but the cheapest in terms of how much.

BCG's survey data showed that on average, two-thirds -- 67% -- of global consumers are willing to pay for unique content, with 63% saying they would pay for specialized coverage.

For U.S. respondents, these figures were 72% and 73%, respectively. Sixty-one percent of U.S. respondents said they are interested in continuously delivered, timely information, compared to 54% for the survey respondents as a whole.

The BCG study included some good news for newspapers, which led the pack in terms of online payment potential. More respondents around the world said they would pay for content from newspaper Web sites than other media (e.g., T.V. news) with an online presence.

However, this positive finding is tempered by the fact that consumers are not willing to pay much for online content, whatever its origin. The amount of money they would be willing to shell out ranges from \$7 among Italians, down to \$3 among Americans -- who were, overall, the most tightfisted of the groups surveyed.

The BCG study provides an interesting counterpoint to other recent studies addressing this issue. In October, a 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.

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.