

## Metered Pay Models Comprise Bulk of Newspaper Website Pay Models

As the search for effective revenue models for online news sources continues, many websites have kept their content free. Newspapers, however, have erected a variety of pay models, including a variety of metered models.

The following is a report on a survey of 333 online news sources including newspapers, digital-born or online-only media, broadcast and cable, and alternative weekly newspapers. They were sorted by the type of pay model used to fund their site, including a metered or soft pay model, a hard paywall, a freemium model, a survey-only model or a free model. It should be noted that while these models may provide an important portion of an organization's funding, there are many additional revenue sources for news sites, including advertising, donations and events.

### Summary of Key Findings

- For alt-weekly newspapers, broadcast and online-only websites, pay models were virtually nonexistent. Almost all were free or survey models.
- 77% of newspapers implemented directly paid models (metered, hard, or freemium) that asked the user for money.
- Among newspapers, there was a wider variety of pay models. Rounded to the tenths place:
  - 0.4% hard
  - 72% metered
  - 5% freemium
  - 3% survey-only
  - 20% free
- Newspapers were clustered in several areas:
  - Pricing for access to the digital content or e-edition of most newspapers fell between \$50 and \$150 annually, regardless of location.
  - The number of free views per month for metered newspapers was predominantly from 1 to 10 (almost 90%).
  - Generally, newspapers had a similar annual price in every U.S. region, though the Northeast and West were higher than the South and Midwest.

	Pay Models					
	Metered	Survey-Only	Free	Freemium	Hard	Total
<b>Newspapers</b>	170	6	48	11	1	236
<b>Alt-Weeklies</b>	0	0	15	0	0	15
<b>Online-Only</b>	0	2	49	2	0	53
<b>Broadcast/Cable</b>	0	0	29	0	0	29
<b>All media total</b>						333

## KEY DEFINITIONS

**Hard Paywall:** Site prompts the user to subscribe on the user's first read. A user will not be able to read any articles without paying a subscription.

**Metered Paywall:** Site allows a certain number of articles to be viewed freely by the user before prompting them to subscribe. Once this paywall is hit, a user cannot continue to read articles without paying.

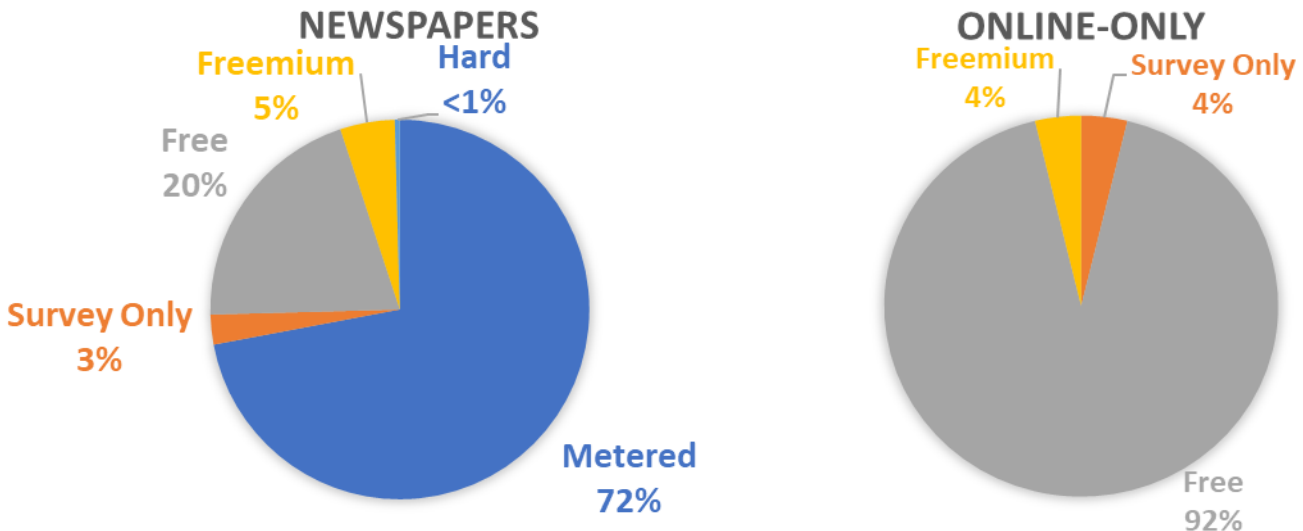
**Freemium:** Site allows access to general information and stories before prompting for membership or registration, requiring an email address. Publishers can use the email address to market events, newsletters and other revenue opportunities.

**Survey-only:** Site provides survey questions before a user can read an article. These questions generally occur on a random number of views. A subscription may exempt the user from site surveys or limit the number of advertisements.

**Free:** Site allows unrestricted access to all articles without charge.

Pay model types were largely segregated along media lines. Among online-only sources, broadcast and alternative weekly newspapers, a free model was the prevailing choice. Among newspaper sites, the number of free sites was significant but dwarfed by the number of metered models.

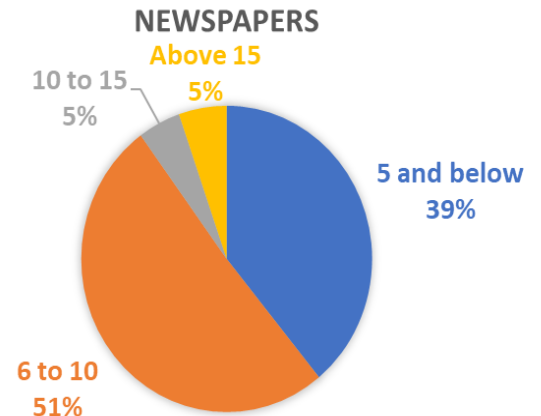
**Newspaper Pay Model Distribution vs. Online-Only Pay Model Distribution**



**Metered Models**

Newspapers were the sole example of metered models in this survey. Among the 170 metered newspaper websites, the vast majority (about 90%) offered 10 or fewer free articles before asking for a subscription. In print terms, this would be similar to offering a free month of home delivery as a sample to potential readers.

Metered Newspapers- Number of free articles					
	5 and below	6 to 10	10 to 15	Above 15	Total
Newspapers	66	87	8	9	170



**Survey-Only Models**

A small number of newspaper and online-only sites offered surveys rather than a paid model. Survey-only sites made up only 3% of the total number surveyed. Third party surveys, such as those offered by Google, and surveys on metered or freemium sites were also present. These surveys collected data on a user before allowing him or her to access the article but did not affect the pay model for the site. These survey sites made up 8% of the newspaper total. Though they do not charge the user, surveys can be an important revenue source for websites, as they are typically sponsored or paid for.

**Free Models**

Free models were prevalent in this study, making up 100% of broadcast and cable and alternative weekly newspapers, as well as 92% of online-only sources and 20% of newspaper websites.

Some news sites asked for voluntary donations. Almost 16% of online-only sites had a prominently displayed donation button.

Again, it is important to note that sites that are “free” still have ways of making money, which may include donations, events or advertising.

## **Freemium Models**

Freemium models frequently allowed 3 clicks on certain articles before asking for registration or an email address.

## **Hard Models**

There was 1 example of a hard paywall: The Wall Street Journal. Hard paywall sites accounted for less than 1% of newspapers.

## **Newsletters**

For broadcast and cable outlets, 72% offered newsletters, and 79% of online-only sources offered newsletters.

## **Newspaper Pricing**

Most newspapers fell within \$50 to \$150 annual price range for access to digital content or e-editions. This was true regardless of region or size of the newspaper's city.

## **Number of Free Views**

Of the newspapers offering metered models, the majority offered between 1 and 10 free views each month before asking the user to subscribe. Again, this was true regardless of region or size of city.

## Examining Newspapers Regionally

### Regional Classifications

#### West:

Pacific: *Alaska, California, Hawaii, Oregon Washington*

Mountain: *Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming*

#### South:

West South Central: *Arkansas, Louisiana, Oklahoma, Texas*

East South Central: *Alabama, Kentucky, Mississippi, Tennessee*

Atlantic: *Delaware, Washington D.C., Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia*

#### Midwest:

West North Central: *Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota*

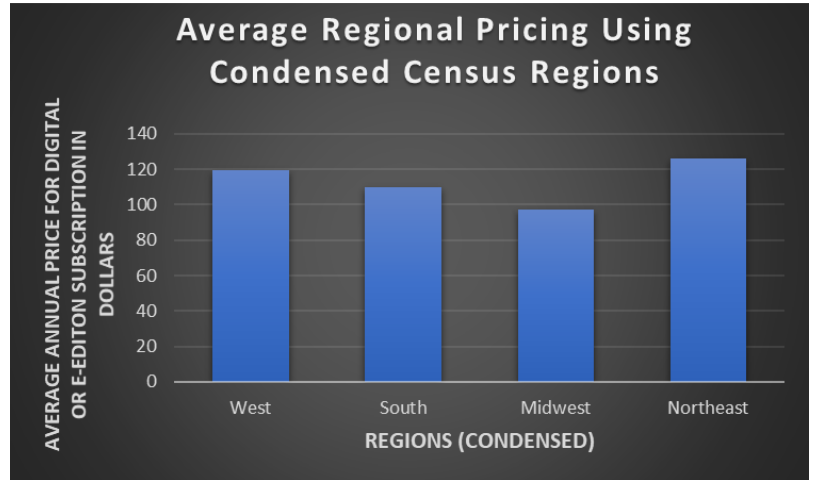
East North Central: *Indiana, Illinois, Michigan, Ohio, Wisconsin*

#### Northeast:

Middle Atlantic: *New Jersey, New York, Pennsylvania*

New England: *Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont*

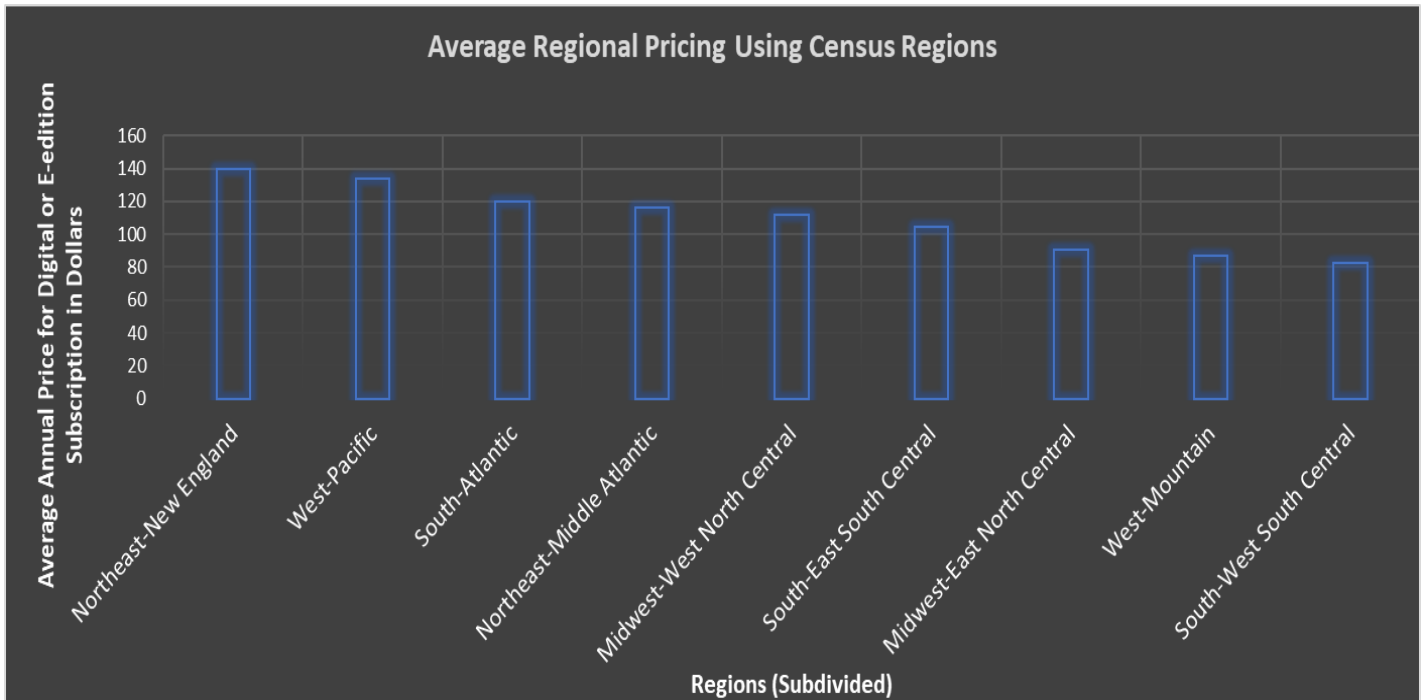
Regionally, there was some variation in newspaper pricing.



The coasts (West and Northeast) tended to be higher-priced than the other regions. The Midwest had the lowest price, followed by the South.

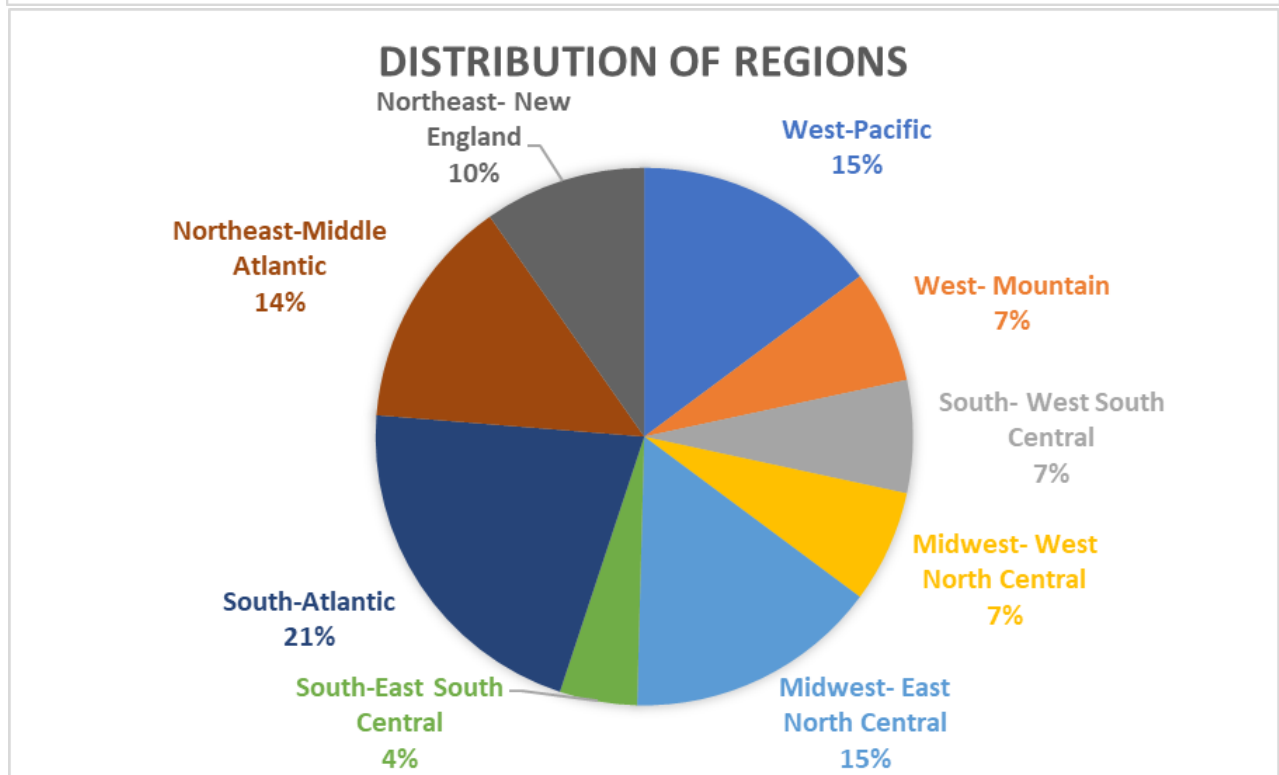
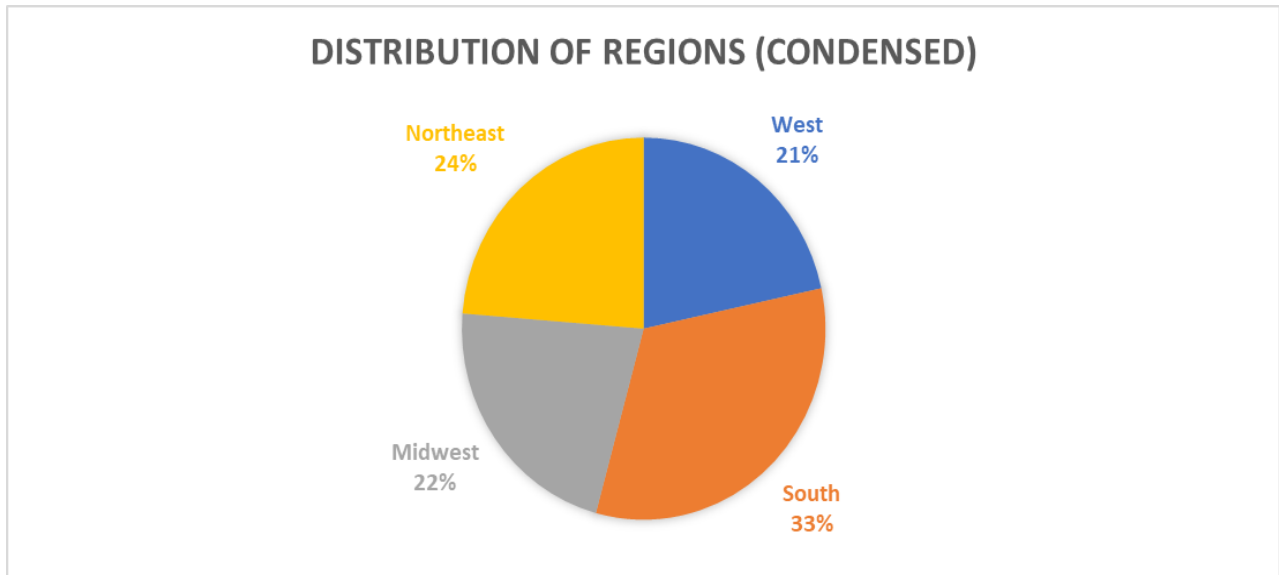
The averages were evenly-spaced. The West had an average price of \$119.47, while the Northeast had an average of \$126.18. The South's average was \$109.99, and the Midwest's average was \$96.98.

Below is a chart showing the further subdivisions of each region and their respective average price. The regions are shown in price order.



Average Regional Pricing Using Subdivided Census Regions	
Region	Avg. Price
Northeast-New England	140.01
West-Pacific	133.57
South-Atlantic	120.05
Northeast-Middle Atlantic	116.53
Midwest-West North Central	111.75
South-East South Central	104.6
Midwest-East North Central	90.42
West-Mountain	86.57
South-West South Central	82.25

Below are charts detailing the regional makeup of the sample. Note that regional averages were used in comparison, so the distribution should not drastically affect the comparison.



## Changing Pay Models

Some news sources have recently changed their pay models, moving from free or survey models to metered models. Four surveyed newspapers changed during this study. Bangor Daily News of Bangor, Maine put up a metered paywall recently. Here is some insight into that decision from a [November 2017 article](#) by Todd Benoit on the Daily News site.

*“For many years, we have steered clear of requiring a subscription for the website in order to get the news to as many people as we could online, not limiting anyone’s access, and supporting our journalism with digital ads and those Google Surveys that tend to inspire passionate opinions. That model worked, at least until smartphones, with fewer and smaller ad positions, became the dominant way digital readers gained access to the BDN online.*

*It may surprise you that the advertising revenue we receive from, for instance, your visit to this very webpage will bring in through advertising not \$1, not a penny, but a hair over \$0.007. While we have grown the number of readers of the BDN online substantially in recent years, it is extraordinarily difficult to fund journalism in increments of seven one-thousandths of a dollar per page.”*

The Bangor Daily News then put up a metered paywall allowing 5 free views per month and 8 for those who register. Subscribers were given unlimited access.

Others, like the New York Times, have decreased the number of free articles available in metered models. The Times moved from 10 free articles per month to 5.

## Methodology

For this survey, a list of about 500 newspaper, online-only, broadcast, magazine, business journals and alt-weekly newspaper websites with a variety of sizes, locations and emphases was assembled. Because of emerging data trends in newspapers, newspapers became the focus and magazines and business journals were dropped. There were many more broadcast sites in the original list, but only 29 were included because they tended to be free, and thus of less interest to this study. With the new list of 333 media outlets including newspapers, online-only, broadcast and alt-weekly newspapers, sites were examined over the course of several months, beginning in September of 2017 and ending in March of 2018.

For newspapers, the following information was recorded: name, URL, pay model, number of unique visitors (if available), average weekday circulation and average Monday-Saturday circulation (which was not released in this report) according to verified numbers reported on the Alliance for Audited Media webpage from August-October of 2017 (25 varied sites were excluded because verifiable numbers could not be obtained after extensive investigation), the number of free articles if it was a metered or freemium site, the frequency of update of the site, the frequency of physical publication, the location, the yearly price, and the classification of the price (metered, allowing a trial period, or hard, with a fixed rate) and partnership with the Washington Post (allowing access to the Washington Post as part of one’s subscription to a partnered paper). The number of views for metered sites was obtained by clicking through articles until hitting a paywall. This process was repeated at least twice for every paper, and sometimes more often if there was reason to do so.

For alt-weekly newspapers, the same information was recorded except for circulation and unique visitor numbers.

For broadcast, the following information was recorded: name, URL, pay model and whether a newsletter was offered, broadcast frequency, location of headquarters, frequency of update of online materials and yearly pricing. There were many more broadcast outlets that were originally selected that could have been reviewed. However, due to the emerging trend of the free model for broadcast, which was expected to continue, and the level of diversity in newspapers, only 29 broadcast outlets were included.

For online-only, the following information was recorded: name, URL, pay model and whether a newsletter was offered, number of free articles if metered, frequency of update of online materials, location of headquarters and yearly pricing.

## **Summary of Conclusions**

Free models made up a large portion of each medium, though newspapers were dominated by metered models. While present, freemium, hard and survey-only models were in the minority. There were also a few surveyed examples of newspapers electing to move from a survey or free model to a metered model, but there were no examples of a metered model moving to another type of model.

Most newspapers had pay models such as metered, freemium, or hard paywalls, rather than free-to-the-user models.

Most newspapers had a similar number of free views (if metered) and annual price for digital access or the e-edition.

Regionally, prices varied, though not to a great degree. The West and Northeast had very similar average prices, and they had the highest prices, followed by the South and then the Midwest.