



Micropayments may be the answer for publishers

Survey finds consumers willing to pay a small amount for content but little appetite for more expensive regular subscriptions

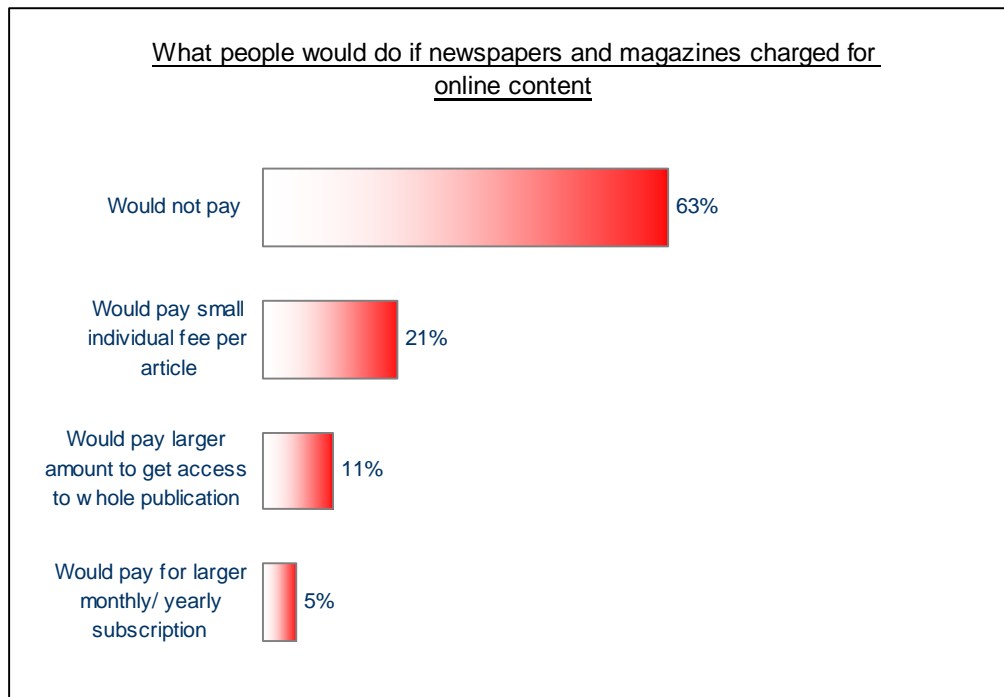
London 10th November 2009: It is no secret that the traditional newspaper funding business model has taken a hammering with both cover price and advertising revenues in decline and the availability of free content online contributing to a fall in sales of newspapers and magazines.

Continental Research (www.continentalresearch.com) recently commissioned some research into micropayments to see if and, more importantly, how much consumers would be willing to pay for individual articles and columnists in newspapers.

The survey of 500 online readers of newspapers and magazines found that only 5% would be prepared to pay a monthly or yearly subscription - a route that a number of prominent publishers have been mooting recently.

In comparison, whilst a large majority (63%) said they simply would not pay to read their favourite articles online, micropayments - not subscriptions - were the most popular payment mechanism: 21% were prepared to pay a small individual fee for each article they wished to read – 11% would opt for a larger amount to get access to the whole publication. (see chart 1)

Chart 1



Source: Continental Research: 500 interviews with online readers of newspapers or magazines.

Lots of micropayments are better than no larger ones

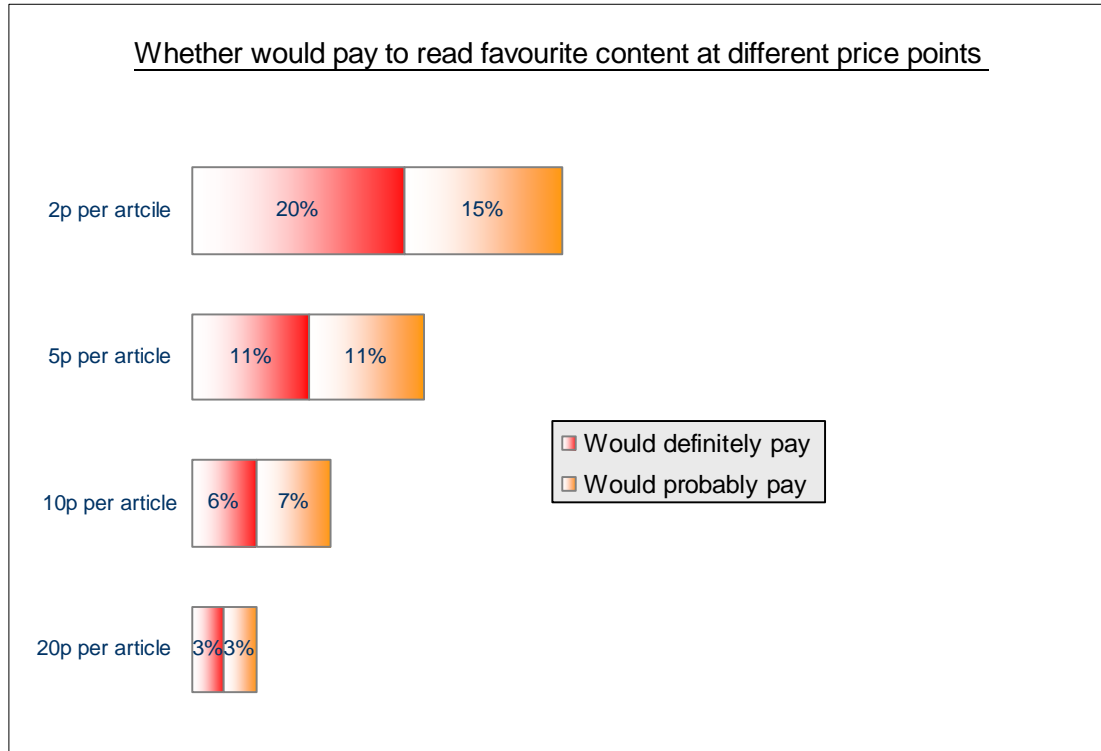
But how much is a micropayment? Continental Research asked how much respondents would pay to read their favourite online columnists. 35% would definitely or probably pay 2 pence per article, this drops to 22% prepared to pay 5 pence, 13% and 7% prepared at 10 and 20 pence respectively.

James Myring, Head of Media at Continental Research says “The amounts may sound small, but it is better to get a lot of people making small one off payments, than virtually no-one paying a higher subscription. For a comparison, think of the mobile industry, profiting from lots of small payments for text messages.

Another important argument in favour of micropayments is that small payments help reduce the incentive to source content illegally. In our research 26% of 16-34 year olds were prepared to make micropayments (compared to 18% of those

aged over 35) suggesting it could be a particularly effective way to get younger people - more likely than others to source content illegally - to pay for it.“

Chart 2



Source: Continental Research: 500 interviews with online readers of newspapers or magazines

Jeremy Clarkson is the top of the columnists

If micropayments take off, those who can write copy that people will pay for will be in demand. Therefore we asked respondents to select their favourite online columnists. In order of popularity they were.....

1. Jeremy Clarkson
2. Charlie Brooker
3. Richard Littlejohn
4. Giles Coren
5. Simon Heffer
6. Gordon Smart

7. Lorraine Kelly
8. Peter Hitchins
9. Jane Moore
10. Melanie Phillips.

Ends

For further information or press enquiries please contact:

Lucy Green, PR Consultant

lgreen@greenfieldscommunications.com Tel +44 7817 698366

Geraldine Gitel, PR Consultant

ggitel@greenfieldscommunications.com Tel: +44 7917 885380

Note to editors

Continental Research interviewed 500 UK Internet users who read newspapers and magazines online. Age and gender quotas were applied to ensure a balanced sample.

About Continental Research

Founded in 1989, Continental Research is a leading market research agency based in London specialising in transport, public sector, business-to-business, finance, media and advertising and internet and telecoms research. The company prides itself on its in-house IQCS approved fieldwork teams who can provide consumer and business research of the highest quality using a number of proven methodologies. In 2008, Continental Research became part of the BDRC Group. For more information please see www.continentalresearch.co.uk