Forty-one Percent of U.S. News Consumers Could be Persuaded to Purchase Digital Newspaper Subscriptions

MECLABS research report indicates factors that drive paid subscriptions to news sources include local content, crosswords, editorials/opinions and arts and culture

JACKSONVILLE, Fla., March 7, 2016 / PRNewswire/ -- Contrary to public perception that consumers are unwilling to pay for digital news subscriptions, a <u>new survey and related Newspaper Paywalls and Digital Subscriptions</u> research report from MECLABS Institute indicates that 41 percent of news consumers are in fact not completely opposed to paid digital subscriptions, and 19 percent are open to their purchase.

Key factors that impact consumers' decision to subscribe to a news provider (print or digital) include relevant exclusive content—arts/culture, local news, editorials/opinions, crosswords/games—as well as their own personal characteristics such as preference for outlets that align with their political point-of-view, their conscientiousness and age.

The online survey, conducted by MECLABS, consisted of a panel of 900 U.S. news consumers aged 25 and older, with household incomes of \$40,000 or higher and who spent three hours or more in a typical week consuming news in print or digitally.

Other survey findings

Predictably, there are significant differences in what millennials and boomers, and men and women, look for in news whether in a printed newspaper or digital news source.

International, national and political news and editorials skew older

- For 55–64 year olds, international news is more important than for 25–34 year olds—94 percent of 55–64 year olds rated international news as essential compared to 83 percent of 25–34 year olds
- National news is also more important for 55–64 year olds (99 percent rated this topic as essential as compared to 93 percent of 25–34 year olds and 96 percent of 35–44 year olds)
- Politics and government are also more important for 55-64 year olds (98 percent) than for 25-34 year olds (84 percent), 35-44 year olds (88 percent) and 45-54 year olds (87 percent)
- Editorials and opinions skew older, too—they are more important for news consumers 65 years old and older (64 percent) than they are to 25–34 year olds (43 percent) and 35–44 year olds (47 percent)

Entertainment, arts and science skew younger

- Entertainment news is more important for 25–34 year olds (42 percent) and 35–44 year olds (41 percent) than they are for 55–64 year olds (28 percent) and 65 year olds and older (29 percent)
- Arts/culture are more important for 25–34 year olds (53 percent) and 35–44 year olds (53 percent) than for 65 year olds and older (35 percent)
- Science is more important to 25–34 year olds (76 percent) than to 45–54 year olds (65 percent) and to 65 year olds and older (59 percent)

Gender differences

- Males find politics/government and business/finance more important than females
 - 92 percent of men find politics/government essential compared to 88 percent of women
 - 70 percent of men find business/finance essential compared to 55 percent of women
- Females find local news, health, crosswords/games, entertainment and arts/culture more important than males
 - 87 percent of women find local news essential compared to 81 percent of men
 - 70 percent of women find health news essential compared to 51 percent of men
 - 26 percent of women find crosswords and games essential compared to 15 percent of men
 - 43 percent of women find entertainment essential compared to 27 percent of men
 - 54 percent of women find the arts/culture essential compared to 36 percent of men

The MECLABS Institute Newspaper Paywalls and Digital Subscriptions report is based both on quantitative survey data as well as qualitative information obtained by interviewing industry and academic experts including: Peter Doucette, vice president of consumer sales and marketing, *The Boston Globe*; Charles Duhigg, senior editor, *The New York Times*; Michael Brunt, chief marketing officer and managing director for circulation, *The Economist*; Randy Bennett, executive director for external relations, University of Florida College of

Journalism and Communications; Ava Seave, principal, Quantum Media, and assistant adjunct professor, Columbia Journalism School; Craig Barberich, global head of media solutions, Zuora; and Flint McGlaughlin, managing director, MECLABS Institute.

The free research report provides four key insights to newspaper executives:

- 1. <u>The digital subscription category has a limited perceived value proposition to consumers.</u> The reason most readers do not purchase a digital news subscription is not because they do not understand the value of the content; it is that they do not understand the value of a digital subscription.
- 2. <u>Subscription customers are sensitive to friction.</u> Poor user interface design and user experience are negatively impacting the perception of digital subscriptions.
- 3. <u>Exclusive content is the primary motivation for subscribers.</u> Subscribers are motivated most by exclusive content—like arts/culture and local news—rather than any other kind of news topics.
- 4. <u>Subscribers are open to newspaper offers.</u> Customers are more willing to engage with newspapers than one might think.

"Newspaper executives should be encouraged by the findings of our survey and research report," said Flint McGlaughlin, managing director, MECLABS Institute. "In the media industry's efforts to sell digital subscriptions, they may be missing the fact that if they deliver a better value proposition, people are going to buy.

"The real question isn't – will people buy digital subscriptions? The real question is – how can we use the digital landscape, the ecosystem, all of its advantages to deliver a better value proposition? The minute they answer that, they solve the real problem."

The MECLABS Institute Executive Series report on Newspaper Paywalls and Digital Subscriptions is the first in a new series of research reports dedicated to helping executives discover how people make choices. Download your free copy of the report here. For more information on the report, contact Daniel Burstein, director of editorial content, daniel.burstein@meclabs.com, 904.746.4627, or Dr. Liva LaMontagne, editorial research manager, liva.lamontagne@meclabs.com, 352.214.1023.

About MECLABS Institute

Founded in 1997 and based in Jacksonville, Florida, MECLABS Institute is the world's largest research institute dedicated to discovering how people make choices.

MECLABS has been involved in direct Research Partnerships with companies throughout Asia, Europe and the Americas since 2001. As an institute focused on offer-response optimization particularly in the field of value exchange, the Institute is dedicated to taking an academic approach to improving the discipline of marketing by teaching its discoveries through workshops, online learning and the development of a graduate-level program.

MECLABS' two publishing subsidiaries – MarketingExperiments and MarketingSherpa – publish experiments and provide insights to the marketing community.

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