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The Current state of paying for digital news content

Haizhen Zhang

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The Current State of Paying for Digital News Content

By Haizhen Zhang

A thesis submitted in fulfillment of the requirements
for the degree of Master of Science
in the School of Print Media
in the College of Imaging Arts and Sciences
of the Rochester Institute of Technology

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Administrative Chair: Christopher Bondy
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The author would also like to convey thanks to the Newspaper Association of America and the Chinese news organizations for providing all the valuable information.

The author wishes to express her love and gratitude to her beloved families and friends; for their understanding and endless love, through the duration of her studies.
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Abstract

The economic recession of 2008 and the growth of digital content delivery had changed the revenue streams in the newspaper industry. Some news publishers favored charging readers for online content, while others did not. For those who had already built the pay wall or who planned to build one in the near future, there were various methods of doing so. The purpose of this research was to assess the payment models for digital content in news organizations.

A survey of 1,100 daily newspaper publishers in the US—all members of the Newspaper Association of America (NAA)—was conducted in June 2010 to assess the status of policies for charging for digital news content across a variety of digital delivery platforms. The response rate of the U.S. survey was 10 percent. Additionally, interviews were conducted with ten major Chinese news organizations in August 2010 in order to obtain a cross-cultural understanding by comparing the responses between the two countries.

The results revealed that the general policies in both countries were similar. Seventy percent of news organizations in the US and 80% of respondents in China provided free access to news on their websites. However, 42% of U.S. respondents and 30% of Chinese respondents indicated that they planned to change their payment model in the near future. Of those planning to change their payment model, the majority said they would start
charging for or increase the charge for online, mobile, or electronic products. The most obvious differences between the two countries were in the areas of e-editions and mobile newspapers. Most of the Chinese news organizations offer their e-editions for free in PDF format, while nearly half of the U.S. news organizations charge for all subscribers. In China, the common method of charging for mobile news was through telecommunication companies. A subscription fee was included in users’ monthly cell phone bills. This payment model had been used in China for years and had been successful financially, while U.S. news organizations were still putting this model to further trial.
Chapter 1

Introduction

The brutal economic downturn of 2007 and the successive revenue crisis had created an interest in charging for digital news content. An area of debate in the news industry today was whether or not to charge for all or part of online news content. Some publishers favored charging users, while others did not. InterActive Corporation’s CEO Barry Diller strongly supported charging users, and was on the record as saying, “I absolutely believe the Internet is passing from its free phase into a paid system” (Fine, 2009). Greg Schermer, vice president of Lee Enterprise, also had said, “Consumers are more willing to pay for content when it’s presented in unique methods.” On the opposing side, Howard Owen, former director of digital publishing at GateHouse Media, and Jason Taylor, president of Chattanooga Times Free Press, both agreed on the risk of charging users for content. They thought that people would go elsewhere to find free content, causing organizations who charged for content to lose web traffic to competitors who did not charge (Saba, 2009).

In summary, there were people who were willing to pay for online news content. The problem was defining how large the audience was, how much they were willing to pay, and what type(s) of content would best attract them. These questions would greatly impact the future development of newspaper publishers and their revenues. Therefore, an
analysis of the current payment model policies of newspaper publishers could help predict the future direction of charging for digital news content.

**Reason for Interest in the Study**

As the once flourishing newspaper industry was suffering a drastic decline in revenue, people within this industry need a way to support newsgathering operations. The debate over charging for digital news content was a hot-button issue in USA. With the cooperation of the Newspaper Association of America (NAA), the Printing Industry Center of RIT had an ongoing survey of the members of NAA to obtain their current state of charging for online content.

The experience of studying in RIT offered the researcher an understanding of the current situation of newspaper industry and made her feel charging for online news content had a potential since the information was too valuable to give away for free, and there were indeed a portion of consumers would like to pay for it. With the advantaging of studying in RIT, the researcher wanted to use the survey results form the Printing Industry Center to analyze what were those various policies newspaper publishers using and how each of the policies worked.

In China, home country of the researcher, the digital news was flourishing as well. The researcher was interested in gaining a deeper insight into the current state. By examining current state of charging for digital news content in China and comparing that with what happened here in USA, the researcher hoped to shed more light on the future direction of charging for online news content in USA and find a better way of doing it.
Chapter 2

Literature Review

The biggest change in the newspaper industry over the last century had been the shrinkage of the print news audience and the growth of the digital news audience. However, the strong digital newspaper audience was not enough to guarantee the revenue needed to support industry operations. In the US, the online newspaper audience was more than 74 million, but the revenue from online advertising on newspaper sites was just five to fifteen percent of total newspaper ad revenue (Berger, Eng, LaFontaine, & Siegel, 2009). The newspaper industry needed more revenue to support their operations, and they hoped that charging for online content would provide a new revenue stream.

The recent popularity of the iPad had also reinforced the belief that charging for digital news content was possible and potentially profitable. As a recent Economist article mentioned (“A smashing success,”2010), “media firms that were already coming to believe that the web is a mediocre advertising platform have drawn a stark conclusion: they should pull back from the free web.”

The major concern of newspaper publishers who hoped to charge for online news content was the fear of decreased website traffic. This would, in turn, have a detrimental effect on online advertising revenue. Others argued that a payment policy would incite piracy, which the music industry had been fighting for years (Berger, 2009). The cost of fighting
against piracy then became another issue. Still others took into consideration the
difficulty of banding the newspapers together to agree on a payment system. If an
agreement on a payment system could not be reached, those who charged for online news
would face the possibility of losing a significant number of customers to their
competitors.

**Overview of the US Newspaper Industry**

The circulation decline within the newspaper industry had been witnessed for more than a
decade as readers have migrated to the web. In the six-month period ending September
2006, daily circulation fell 2.8% at U.S. newspapers. Based on calculations from data
supplied by the Audit Bureau of Circulations, the Newspaper Association of America
reported that Sunday circulation fell 3.4% in the same period. *Post-Intelligencer* (P-I)
Editor and Publisher Roger Oglesby mentioned that, although the print circulation was
shrinking, online readership was growing at a very aggressive rate (P-I Staff and News
Services, 2006). According to Jackie Crosby (2009), the shrinkage of U.S. newspaper
circulation accelerated recently. The daily circulation of the country's largest newspapers
decreased 10.6% in the six months ending September 30, 2009 compared with the same
period one-year prior. The more widely distributed Sunday issue also decreased 7.5%
based on figures released by the Audit Bureau of Circulation. Daily and Sunday
circulation of the Minneapolis-based Star Tribune fell 5.5% and 8.3%, respectively.
However, its web traffic increased by 17.2%. The site startribune.com had 5.7 million
unique visitors in September 2009, a 9% increase over the previous September.
Research based on a poll conducted by the Pew Research Center for the People & the Press (2005) revealed that the public’s preference for the Internet as a medium for obtaining news and information was growing rapidly. Fifty percent of Americans said they were reading print newspapers as much as they did before they started reading online newspapers, while 35% said their current reading of print newspapers had decreased compared with that of the online version. Since 2000, the number of people who said they went online everyday for news had increased 15%, and the number of people who said they checked Internet news once a week had grown from 33 to 44 percent. The research also found that 30% of Americans between the ages of 30 and 49 referred to the Internet as their main news source, belying the former assumption that using the Internet for news was just for people under age 30. Nearly three-quarters of Internet newspaper readers considered convenience as their main reason for reading online (Pew Research Center, 2005).

A follow-up survey by the Pew Research Center in 2008 shows this trend was unmistakable. Fewer Americans were reading printed newspapers as more turn to the Internet for their news. Also, while the percentage of people who read newspapers online was growing rapidly, that growth had not offset the decline in print readership.
Thirty-nine percent of respondents to the 2008 Pew Research Center survey said they read a newspaper yesterday—either in print or online. This number was down from 43% in 2006. The percentage reporting that they read just the print version of a newspaper fell by roughly one-quarter, from 34 to 25 percent over the two-year period. Overall newspaper readership declined in spite of an increase in the number of people reading online newspapers. Fourteen percent of Americans said they read a newspaper online yesterday in 2008, up from 9% in 2006. This included those who said they read only a newspaper online (9%), as well as those who said they read both print and web versions of a newspaper (5%). These numbers may not include the number of people who read content produced by newspapers but accessed through aggregation sites or portals such as Google or Yahoo (Pew Research Center, 2008).

Overall, the balance between online and print readership changed substantially between 2006 and 2008. In 2008, online readers comprised more than one-third of all newspaper
readers, while two years earlier less than one-quarter of newspaper readers viewed them on the web.

**Overview of the Chinese Newspaper Industry**

The newspaper industry was under severe pressure around the globe. The worldwide loss of ad revenues, shifting to digital, and shrinking circulation had hit the industry hard. China was no exception.

A report in the *South China Morning Post* mentioned that the continuous revenue growth of the Chinese newspaper industry finally halted early in 2005 due to pressure from online services. According to the authors of the *Blue Book of China's Media* (2006), the average advertising revenue in the traditional print media industry—which had grown faster than the nation's gross domestic product for nearly two decades—declined for the first time in 2005, shrinking by at least 15% compared with 2004. In contrast, Internet media flourished, with an increase in advertising revenue of 77% in 2005.

Data collected by CTR, a market research firm, indicated the proportion of newspaper readers less than 34 years old dropped by 1.7% between 2003 and 2005. At the same time, the proportion of readers over 45 years old rose 1.5%, pointing to a graying in readership. As more and more young people were turning to the Internet, newspaper readership in China stalled and aged (“China: Newspaper readership,” 2006). Professor Cui Baoguo, Tsinghua University professor and the chief editor of Hong Kong newspaper *South China*
Morning Post, said "new media will be dominant in the future market, while traditional media can reincarnate themselves by opening new media channels" (2006).

Mark Heap (2009), managing director of PHD China, also stated that the Chinese newspaper industry had changed quite significantly with the ever growing popularity of digital and portable media. In urban China, 65% of people claimed to have read a newspaper yesterday in 2009—down from 71% five years earlier. Daily newspaper reading among people under 30 years old also declined by 12% from 2004 to 2009. The combined readership of the top 10 newspapers had fallen 17% from 2007 to 2009 (“Print in Asia contemplates its next move,” 2009).

**Overview of Different Payment Models**

Currently, several payment models were under consideration. Some had already been applied in the newspaper industry. Others had only been used in related industries. The effects of these models varied greatly.

- **Online subscription tied to print.** This was what the Cedar Rapids Gazette did. Print subscribers can access the website for free, while non-print subscribers pay $5 a month for website access. Nearly 22% of the 75,000 print subscribers read the online version, and 400 to 500 non-print subscribers paid for online access. After the Gazette removed the pay wall, its online readership greatly increased. Another case was the Tulsa World. It offered print subscribers free access to online content and charged $60 a year for online-only access. This resulted in a drastic decline in readership compared with the
readership before the pay wall was erected (Berger et al., 2009).

- **Micropayments.** The micropayments model was similar to that of iTunes. iTunes users created an account and then bought songs for 99 cents apiece. Similarly, the newspaper reader’s account would be debited a small sum of money when he or she accessed a certain amount of news. This concept was not new. In 1960, Theodor Holm Nelson, the inventor of the micropayments concept, used special servers to charge for each portion of the contents stored on the servers. When it came to the newspaper industry, micropayment was realized by offering headlines or single paragraphs to pique the curiosity of online readers. After the user clicked on the link, payment was required to access the content. However, this model had the risk of driving readers away from the website altogether, resulting in decreased advertising revenue (Berger et al., 2009).

- **Subscriptions for premium content.** Part of the newspaper website was free to the public. However, those who wanted special information, such as local, professional, or high school sports teams news, will be charged a certain amount. In this case, the premium content requiring payment must be unique and valuable. There were several successful content sites that were pursuing this model. The *Milwaukee Journal Sentinel* had always charged sports fanatics to subscribe to its football-related content. The *Pittsburgh Post-Gazette* had also been successful in charging for content on the Pittsburgh Steelers. Whether this payment model could work well for the newspaper industry was still in question, since there was fierce competition from the television and radio stations that also delivered this niche content (Berger et al., 2009).
• **Subscription at digital entry point.** Online readers will be charged through an Internet access bill, which was similar to the way cable companies charge for certain channels. This payment model had been used by the Chinese mobile industry for years and had been financially successful. Subscribers of mobile newspapers were charged through telecom operators. Their mobile bills contained daily or monthly subscription fees for the news content or a fee based on the amount of digital dataflow being used through a mobile network.

• **Donations support or “crowdfunding.”** A classic example was Kachingle, which was a volunteer donation program. It asked readers to click the Kachingle medallion to donate when they liked the content. Users’ reluctance to pay on a voluntary basis was a difficulty that Kachingle may face. However, crowdfunding actually worked well in some situations, though whether the same thing would happen in the newspaper industry was debatable. Jim Hopkins, who was a *Gannett Blog* blogger, successfully raised $6,000 per quarter by requesting a $5 donation from readers. Similarly, Ana Marie Cox, a former blogger of *Radar* magazine, received more than $7,000 from her readers who wanted her to cover McCain all the way through election day.

• **Charging the aggregators.** In this case, a publishing company demanded payment from aggregators for use of their news content by charging Google or other search engines a licensing fee before giving them access to the content. By doing so, content providers would get compensation when their news was used to generate profit (Saba, 2009). The experiences of *Tulsa World* showed that online aggregators were an important
way to boost site traffic. However, they also provided an easy way for competitors to leech paid content, re-edit it, and then put it on their site for free. This was detrimental to the news websites with the pay wall erected who originally posted the content (Berger et al., 2009).

- **Club model.** Readers who subscribed to content could have different levels of membership. The level of membership and the points the readers got from the website could bring them a variety of discounts and local services. Classic examples were *PostPoints* and *Grupo Reforma*. *PostPoints* was successfully launched by the *Washington Post*. It was a reader rewards program providing a different package of incentives to subscribers with different membership levels. The incentives included discounts at local merchants, gift cards, plasma-screen TVs, jewelry, and invitations to meet celebrities. *Grupo Reforma* was a chain of newspapers in Mexico that had put all its content, except the home page, behind a pay wall. Besides giving coupons, it had been using the “snob appeal” strategy to tantalize subscribers—mainly the informed elite—with a sense of buying entrance into some kind of upper-class club where members watch similar movies, enjoy cultural events, and discuss local political and financial issues (Berger et al., 2009).

**Summary**

The economic downturn of 2007 and the worldwide revenue crisis in the newspaper industry had made it urgent for newspaper executives to find a way to support their newsgathering operations. It was quite reasonable for these organizations to seek the remuneration of their digital news content, as news content was costly to produce.
This research project would help the newspaper industry understand the current status of charging for digital news content. In addition, it would shed more light on a better way of changing from lackluster revenue performance to a lucrative payment model.
Chapter 3

Research Objectives

This research was designed to understand the current status of charging for online news content in USA and China. The researcher conducted a survey among 1100 US newspaper publishers to understand their policies of charging for online news content, if any, and to analyze how each of the policies worked for them. The survey of the 10 Chinese newspapers could make the research cross-cultural. The analysis in this research would help generate recommendations on charging for online news content and find a relatively better payment model.
Chapter 4
Methodology

This research provided an understanding of the status of charging for online news content in the US through a quantitative analysis of the survey results. In addition, interviews were conducted with ten major Chinese news organizations in August 2010. These interviews provided first-hand observations, which had been used to understand the comparable status of charging for digital news content in China.

The survey and interviews were important to this research because first-hand observations from people within the newspaper industry illustrated the status in detail and revealed information, which was hard to obtain elsewhere. The data analysis of U.S. survey results and interviews of ten major Chinese news organizations was suitable for this research because it covered the widest possible range of newspapers with different policies and provides knowledge about the current status of charging for digital news content.

Data Collection Procedure

The 1,100 newspaper members of Newspaper Association of America were selected as the sampling frame for the survey. Participants were asked to complete an online survey as shown in Appendix A. A total of 136 respondents completed the survey; when those
who completed fewer than three questions were removed, the final sample size was 113.

Ten interviews were conducted by the researcher from August 10 to September 5, 2010 in China on the topic of paying for digital news content. The ten news organizations interviewed were Reference News (Beijing), Dong Fang Daily (Beijing), Fa Zhi Wan Bao (Beijing), China Business Beijing (Beijing), China Business (Beijing), Wenhui Bao (Shanghai), Shanghai Radio & TV Weekly (Shanghai), Shanghai Securities News (Shanghai), Luoyang Daily (Luoyang), and Luoyang Wan Bao (Luoyang). Most of the interview questions were the Chinese translation of the same questions from the online survey used in the US. Additional questions were included to obtain insight into specific issues.
Chapter 5

Results

Results of the US Survey

Size of News Organization

Thirty-nine percent of the newspapers surveyed had fewer than 15,000 subscribers, while more than half had between 15,000 and 200,000 subscribers. Only 6% had a very large paid circulation of over 200,000 subscribers (see Figure 2).

Figure 2. Paid Circulation of Printed Newspaper
When asked about the total reach of their newspapers in their DMA (Designated Market Area), 23% of the publishers said their estimated percentage of reach was between 14% and 35%. Forty-one percent said it was between 40% and 56%, and 36% said it was between 60% and 98% (see Figure 3).

![Figure 3. Total Reach of Newspaper in DMA Defined by Audience-Fax](image)

**Print and Online Subscription Policies**

In terms of current print subscription policies, 80% of respondents published their newspaper seven days per week. The percentages of those who only published on Sundays, on weekdays, and during weekends were 56%, 53% and 59%, respectively (see Figure 4). (Multiple responses were allowed.)
In regards to online subscription policies, 70% of respondents currently offered free access to website content for all visitors. Eleven percent only allowed print subscribers to read online content for free, 19% had set up “pay walls” for additional article views, and only 1% charged all visitors (see Figure 5). This indicated that—if a good payment model of charging for online content was determined—at least 70% of newspapers could gain a new revenue stream. This could help to make up for the losses from plummeting print subscription and advertising revenues.
Apart from offering news content on their websites, electronic editions of newspapers were now widely used by newspaper publishers. Seventy-two percent of respondents already had an electronic edition (with the same content as the print edition) that readers can view on their computer as a PDF or using installed reader software, while 6% were developing such an edition (see Figure 6).
Figure 6. Status of Electronic Edition

Forty-six percent of those with an e-newspaper charged for it, while 30% offered their e-edition to print subscribers for free. Just 3% of respondents made their e-newspaper free to everyone (see Figure 7).

Figure 7. Payment Model for Electronic Edition
Payment Options for Mobile Edition

Mobile devices were another medium on which 39% of respondents had started delivering their news content. An additional 25% had mobile editions under development (see Figure 8).

Figure 8. Status of Mobile Edition

Forty-three percent of the mobile newspapers currently available require a subscription fee, while 48% were for free and 5% were only free to print subscribers (see Figure 9).
Among those who had mobile versions, three-quarters said they already had or were planning to develop an app for mobile use (see Figure 10).
Forty-two percent of these respondents felt the app should require payment, 45% preferred offering the app for free, and 3% would offer it to print subscribers for free (see Figure 11).

**Figure 11. Current or Planned Payment Model for Mobile App**

*Payment Options for E-reader Edition*

When asked whether they had an e-reader edition of their newspaper formatted for devices such as the Kindle or iPad, 13% of respondents said yes, 58% said no, and 29% said it was under development (see Figure 12).
Among those 14 newspapers who offered Kindle or iPad editions, 11 charged for them, 2 offered them for free, and 1 was free to print subscribers (see Figure 13).
Future Plans

Lackluster revenue performance had made 42% of respondents began to consider changing the payment model for their online, mobile, or electronic products, while 58% preferred to keep them the same. Of the 42% who wanted to change, two-thirds planned to begin charging for these products, 17% planned to increase the charge, and only 3% would either eliminate or decrease the charge.

In terms of printed products, 78% of respondents planned to improve the efficiencies of the production and delivery, while 47% planned to increase the price of their printed products (see Table 1). This indicated that revenue from the conventional print products still played a vital role in newspaper business models.

Table 1. Planned Changes to Print Product in the Next 12 Months

<table>
<thead>
<tr>
<th>Print Product Changes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We plan to improve the efficiencies of the production and delivery of our printed product</td>
<td>78%</td>
</tr>
<tr>
<td>We plan to increase the price of our printed product</td>
<td>47%</td>
</tr>
<tr>
<td>We plan to reduce the number of days we print and distribute the product</td>
<td>2%</td>
</tr>
<tr>
<td>We plan to expand coverage of regional areas</td>
<td>2%</td>
</tr>
<tr>
<td>We plan to increase the price for 7-day delivery, while providing more affordable options for Sunday only and weekend delivery</td>
<td>2%</td>
</tr>
<tr>
<td>We will bring our TV book back to subscribers that opt-in for free</td>
<td>2%</td>
</tr>
</tbody>
</table>
Advertising Policies

Advertising was an important revenue source for newspaper publishers. Advertising policies differed greatly among respondents. Seventy-four percent had separate rates for print and electronic advertising packages, while 81% had combined rates. The descriptive statistical analysis showed that 57% of the news organizations that had separates rates also offered combined rates for print and electronic advertising packages. Twenty-nine percent had separate pricing for search engine marketing, and 21% also offered e-mail marketing services to subscribers using behavioral targeting (see Table 2).

Table 2. Advertising Policies

<table>
<thead>
<tr>
<th>Advertising Policies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have combined rates for print and electronic advertising packages</td>
<td>81%</td>
</tr>
<tr>
<td>We have separate rates for print and electronic advertising packages</td>
<td>74%</td>
</tr>
<tr>
<td>We have separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website)</td>
<td>29%</td>
</tr>
<tr>
<td>We offer e-mail marketing services to subscribers using behavioral targeting</td>
<td>21%</td>
</tr>
<tr>
<td>We have our own digital business directory that we sell separately</td>
<td>1%</td>
</tr>
<tr>
<td>Sorry, not my area.</td>
<td>1%</td>
</tr>
</tbody>
</table>
Results of Interviews in China

Size of News Organization

Five of the ten Chinese news organizations had an over 200,000 paid circulation. The paid circulation of the other five organizations was between 90,000 and 200,000 (see Figure 14).

![Figure 14. Paid Circulation of Printed Newspaper](image)

Print and Online Subscription Policies

Nine of the ten organizations published their newspapers at least 5 days per week. The detailed print subscription policies can be seen in Figure 15.
As regards online newspaper subscription policies, eight news organizations offered free access to their online news content for all visitors, while the other two provided limited free access to online content and charged for additional article views (see Figure 16).
When asked whether they had an electronic edition of their newspaper, eight said yes, one said no, and one said it was under development. Among the eight news organizations that had an electronic edition, six provided it as a PDF, while the remainder simply posted the news on their website. Only one respondent said the electronic edition was free to print subscribers, while all others were free to all (see Figure 17).
Payment Options for Mobile Edition

In China, mobile newspaper editions were rising in popularity. Half of the news organizations currently had mobile versions of their newspaper. Among the five who did not have a mobile newspaper, one company planned to develop this edition in the near future. Others said they were still thinking about this option. All news organizations said their mobile version was paid except one. None of the news organizations thought there was a need to have an app for mobile use (see Figure 18). The common method of charging for mobile news was through the telecommunication companies— they included the subscription fee in users’ monthly cell phone bills.
When asked if they had an e-reader edition of their newspaper, six answered no, three said it was under development, and only one had an iPad version available, which was temporarily for free (see Figure 19). The three news organizations whose e-reader edition was under development plan to charge for it.
Future Plans

Three of the news organizations interviewed planned to change their payment model for online, mobile, or electronic delivery methods. Dong Fang Daily planned to begin charging for their mobile and iPad versions, while keeping online news content free. Both Fa Zhi Wan Bao and Shanghai Securities News planned to start charging for online and other electronic products. Shanghai Securities News also planned to increase the price of their mobile version.

While all other respondents were paying attention to the digital news payment model, Reference News still focused on their print product and planned to increase the price. The reason for this was the steady large daily circulation of Reference News. With a daily circulation of 3.2 million, Reference News was China's leading daily newspaper and was ranked 5th in the world in 2008. According to the paper’s editor, its daily circulation was now 4.5 million—indicating that a price increase may be a good way to maintain or increase their revenue.

Advertising Policies

Two-thirds of the news organizations indicated that print advertising was still the lifeblood of their advertising revenue. The majority of their clients only advertised in the printed newspaper. Therefore, these organizations had separate rates for print and electronic advertising packages. Since electronic advertising was still in its infancy, different policies were now being tested. For example, Reference News, Shanghai
Securities News, and Luoyang Wan Bao were pilot testing pay-per-click and contextual advertising. Dong Fang Daily was currently offering online advertising packages as a free gift to their print advertising clients in order to find out how many were interested in online advertising as well (see Table 3).

Table 3. Advertising Policies

<table>
<thead>
<tr>
<th>Advertising Policies</th>
<th>Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have separate rates for print and electronic advertising packages</td>
<td>6</td>
</tr>
<tr>
<td>We have combined rates for print and electronic advertising packages</td>
<td>1</td>
</tr>
<tr>
<td>We have separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website)</td>
<td>3</td>
</tr>
<tr>
<td>The online advertising package is currently a free gift to those who have purchased the print advertising package. We have the plan to sell online advertising packages separately.</td>
<td>1</td>
</tr>
</tbody>
</table>
Comparison Between US and China

Online Subscription Policies

In the US, 70% of respondents were now offering free access to website content for all visitors, while 19% had set up pay walls for additional article views. Similarly, the Chinese results were 80% and 20%, respectively. In the US, 11% of respondents allowed print subscribers to view online content for free, while 1% charged all visitors. None of the Chinese news organizations surveyed had these policies in place (see Table 4). The comparison indicated that, if a good payment model of charging for online content could be standardized in the US and in China, the majority of newspapers could gain a new revenue stream which would help make up for the losses from plummeting print subscription and advertising revenues.

Table 4. Comparison of Online Newspaper Subscription Policies (US vs. China)

<table>
<thead>
<tr>
<th>Online Subscription Policies</th>
<th>US</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free access to website content for all visitors</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>Limited free access to online content before &quot;paywall&quot; is encountered for additional article views</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Free access to web site content for print subscribers ONLY</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>All visitors must pay for any access</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Payment Options for Electronic Edition

Apart from offering news content online, electronic editions of newspapers were now widely used among newspaper publishers. In the US, 72% of respondents already had an electronic edition available, while 80% of Chinese respondents had these editions available. In both countries, more respondents were planning to add this as an option: 6% of US and 10% of Chinese respondents mentioned that their e-edition was under development (see Figure 20).

Figure 20. Status of Electronic Edition (US vs. China)

In regards to payment for e-editions, the U.S. and Chinese results were quite different. In the US, 46% of those with e-editions charged for it, while 30% offered it to print
subscribers for free. Only 3% made their e-edition free to all. In China, 80% of respondents offered the e-edition for free, while 10% only offered it to print subscribers for free (see Figure 21).

Figure 21. Payment Model for Electronic Edition (US vs. China)

Payment Options for Mobile Edition

The U.S. survey results showed that 39% of respondents had started offering mobile editions, while 25% planned to do so. In China, mobile editions seemed to be more popular: half of the respondents had mobile editions. Among the remainder, one respondent planned to develop a mobile edition in the near future, while the other four were still considering it (see Figure 22).
In the US, 43% of the mobile editions required a subscription fee, while 48% were for free and 5% were only free to print subscribers. All Chinese news organizations that offered mobile editions required subscription fees, with one exception: Dong Fang Daily offered it for free. In China, the common way of charging for mobile news was through the telecommunication companies, who included the subscription fee in user’s monthly cell phone bills.

Among those U.S. news organizations that had mobile editions, three-quarters said they already had or were planning to develop an app for mobile use. This was quite different from the results of the Chinese interviews—none of the respondents thought it necessary to have an app for mobile use.
Payment Options for E-reader Edition

When U.S. respondents were asked whether they had an e-reader edition formatted for devices such as the Kindle or iPad, 13% said yes, 58% said no, and 29% said it was under development. Among the 14 newspapers with a Kindle or iPad edition, 11 charged for it, 2 offered it free to all, and 1 offered it free to print subscribers. When the same question was asked of the ten Chinese news organizations, the responses were quite similar. Six said they did not have an e-reader edition, three said it was under development, and one had an iPad version, which was temporarily free to all (see Figure 23). The three Chinese news organizations who were still developing their e-reader all planned to charge for it.

Figure 23. Status of E-reader Edition (US vs. China)
**Future Plans**

Lackluster revenue performance had made 42% of U.S. respondents and 30% of Chinese respondents began to consider changing the payment model for their online, mobile, or electronic products (see Figure 24). In both countries, the majority of these news organizations planned to either begin charging for these products or increased the charge. In terms of printed products, most of the U.S. news organizations planned to gain more revenue from these products by implementing changes, while the majority of Chinese news organizations planned to keep their current business models.

![Figure 24 Plans to Change Digital Content Payment Model in the Next 12 Months (US vs. China)](chart)

*Figure 24 Plans to Change Digital Content Payment Model in the Next 12 Months (US vs. China)*
Advertising Policies

Advertising was an important revenue source for newspaper publishers. In the US, 74% of respondents had separate rates for print and electronic advertising packages, while 81% had combined rates. The descriptive statistical analysis showed that 57% of U.S. respondents that had separate rates also offered combined rates for print and electronic advertising packages. Other offerings in the US included 29% with separate pricing for search engine marketing and 21% who offered e-mail marketing services to subscribers using behavioral targeting. In China, since the majority of clients only advertised in the printed newspaper, 67% of the news organizations had separate rates for print and electronic advertising packages, while only 11% had combined rates (See Table 5).

Table 5. Advertising Policies (US vs. China)

<table>
<thead>
<tr>
<th>Online Subscription Policies</th>
<th>US</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have separate rates for print and electronic advertising packages</td>
<td>74%</td>
<td>67%</td>
</tr>
<tr>
<td>We have combined rates for print and electronic advertising packages</td>
<td>81%</td>
<td>11%</td>
</tr>
<tr>
<td>We have separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website)</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>We offer e-mail marketing services to subscribers using behavioral targeting</td>
<td>21%</td>
<td>0%</td>
</tr>
</tbody>
</table>
US Results by Size of News Organization

Based on the survey results, the researcher had formed a hypothesis: news organizations with a large paid circulation may be more proactive than those with smaller paid circulations in looking for new revenue sources for their operation.

In order to test this hypothesis, a crosstab analysis with Pearson Chi-square tests was used. The reason for using crosstab analysis was that both variables in each statistical test were categorical variables. Specifically, the independent variable was the paid circulation of the printed newspaper. Small organizations were defined as those with a paid circulation of less than 15,000; medium organizations were those with a paid circulation between 15,000 and 40,000; and large organizations were those with a paid circulation of more than 40,000. The dependent variables included all the results of the questions asked in the survey. Among all the crosstab results, only four results were statistically significant, with an additional result that was marginally significant. These five results are presented in detail as follows:

Current Online Subscription Policies

Large news organizations were more likely to offer their online news content for free to all users. On the other hand, small news organizations preferred to give limited free access, which means that only users who viewed additional articles online were charged. The online subscription policy most often used was free access to all users, with more than 60% of respondents. Eighty-two percent of the large news organizations used this policy, while small organizations had a lower usage percentage of 63%. The percentages
of small, medium, and large news organizations offering limited free access were 33%, 15%, and 6%, respectively (see Figure 25). The $p$-value of the Pearson Chi-Square test was 0.019 ($p < 0.05$), which indicated a statistically significant difference between the two variables.

![Figure 25. Online Newspaper Subscription Policies by Circulation Size](image)

*Note: Small Organizations are news organizations whose paid circulation is less than 15,000; Median Organizations are news organizations whose paid circulation is between 15,000 and 40,000; Large Organizations are news organizations whose paid circulation is more than 40,000.*

**Mobile Edition**

In regards to mobile editions, the percentages of those who answered yes were in proportion to the size of the news organization: 53% of large news organizations offered mobile editions, while only 24% of small news organizations had mobile editions. Again, when compared to the other two groups, a higher percentage of large news organizations said their mobile newspaper was under development (see Figure 26). The $p$-value of the
Pearson Chi-Square test was 0.004 ($p < 0.05$), which means there was a statistically significant difference between the two variables.

Figure 26. Status of Mobile Edition by Circulation Size

Note: Small Organizations are news organizations whose paid circulation is less than 15,000; Median Organizations are news organizations whose paid circulation is between 15,000 and 40,000; Large Organizations are news organizations whose paid circulation is more than 40,000

Application for Mobile Use

The percentage of news organizations that preferred to have an application (app) for mobile use differed greatly across the three groups. Large news organizations tended to want to offer an app (95% of respondents), as compared to 46% of small news organizations (see Figure 27). The $p$-value of the Pearson Chi-Square test was 0.010 ($p < 0.05$), which meant there was a statistically significant difference between the two variables.
Figure 27. Mobile App Status by Circulation Size

Note: Small Organizations are news organizations whose paid circulation is less than 15,000; Median Organizations are news organizations whose paid circulation is between 15,000 and 40,000; Large Organizations are news organizations whose paid circulation is more than 40,000

E-reader Edition

The trend of having e-reader editions was similar to that of mobile editions: more of the large organizations offered e-reader editions as compared to small organizations, and more large organizations planned to develop such an edition (see Figure 28). The $p$-value of the Pearson Chi-Square test was 0.0001 ($p < 0.05$), which meant there was a statistically significant difference between the two variables.
Figure 28. Status of E-reader Edition by Circulation Size

Note: Small Organizations are news organizations whose paid circulation is less than 15,000; Median Organizations are news organizations whose paid circulation is between 15,000 and 40,000; Large Organizations are news organizations whose paid circulation is more than 40,000.

Planned Changes to the Payment Model

Large organizations were more likely to plan to make changes to their payment models. Fifty-six percent plan to change their payment model for online, mobile, and electronic delivery methods, while only 31% of the smaller organizations were planning to do so (see Figure 29). The $p$-value of the Pearson Chi-Square test was 0.091 ($0.05 < p < 0.1$), which meant the result was marginally significant.
The above five results verified the validity of the hypothesis that news organizations with a large paid circulation were more proactive than those with smaller paid circulations in looking for new revenue sources for their operation.
Chapter 6

Discussion

The survey and interview results showed that 70% of U.S. news organizations and 80% of Chinese news organizations provided free access to news on their websites. However, 42% of U.S. respondents and 30% of Chinese respondents also indicated that they planned to change their payment models. Interestingly, small news organizations in both countries had the highest percentage of limited free online access. Limited online access decreased as circulation increased. Since smaller news organizations provided more in-depth coverage of local news, this result supported the concept that content played a significant role in whether customers paid for online news. Of those planning to change their payment models, 80% of U.S. respondents and three Chinese respondents (34% of the total sample) said they would start charging for online, mobile, or electronic products. The percentage that planned to change their payment model was larger for smaller organizations. This supported the idea that smaller news organizations believe they could charge for unique local content.

In the US, 39% of respondents had an edition of the news for use on a mobile device, and an additional 25% were developing a mobile edition. In China, half of the ten news organizations had mobile versions. Among the five without mobile versions, one company planned to develop one in the near future, while the other four were still
considering this option. This finding implied that mobile editions were increasing in popularity in both the US and China.

In the US, all large news organizations offered free mobile news access, while fewer small organizations offered it. This finding implied that large news organizations had a technological advantage—or at least the ability to purchase an advantage—over smaller organizations. In China, all of the interviewees said their mobile version requires or will require payment from all users, with one exception. In China, the subscription fees were collected through collaboration with the telecommunication companies who included the subscription fee in users’ monthly cell phone bills. The positive responses from the interviewees verified the financial success of this payment model. However, U.S. news organizations were still putting this model to further trial.

Larger news organizations were also leading the way in developing e-reader editions in both countries. At this time it appears that the majority of these editions were paid. No organization said that the e-reader edition would be bundled with a print subscription. Currently, the print edition of the news provided most of news organizations’ revenue. Bundling print and e-reader access may retain more print subscribers, so it was puzzling that there was no plan to bundle these editions.

When U.S. news organizations were asked about changes in the printed product, 47% of respondents said they would increase the subscription price. This confirmed a trend in shifting the cost of the printed newspaper from the advertiser to the subscriber. Many industry observers believed that remaining print subscribers were dedicated users who
had a lower sensitivity to price changes. However, the majority of Chinese news organizations planned to keep their current business models, since they were afraid of losing subscribers.

Recently, the iPad newspaper *The Daily* had been launched. Although it received plenty of criticism and users were disappointed with its shortcomings, it was still a perfect representative of the undeniable trend of publishing news in digital formats. No matter what digital formats and platforms were being used to present the news content, the key point of getting revenue was providing valuable content that readers find hard to get elsewhere. As Shields and Moses (2011) said, “iPad users are no different than Web users in that they're interested in valuable content. Value, immediacy, and relevance.”

**Future Research**

Based on the survey, news organizations had noticed there was an obvious trend towards digital media for news content and, as a result, had started thinking about taking advantage of this trend. This emphasized the importance of finding good payment models that could allow organizations to obtain new revenue streams. This research served as a guide for news organizations ready to create their own payment model.

Based on the comparison between the US and China, the situation of the newspaper industries and the state of charging for digital news content were quite similar. There was a strong possibility that the successful payment model of the Chinese mobile newspaper was applicable for U.S. news organizations as well. The universal application of this
payment model was a potential research topic.

While there were perhaps hundreds of policies and payment models to explore, news organizations did not need to use a uniform way to obtain revenue streams from digital news content. The prudent approach was to find ways that were a good fit for the news organization, based on several vital variables such as the size of the organization, financial status, and number of loyal subscribers.

A survey on consumer preference was the next scope of this research. As mentioned in a recent *Economist* article, media companies would like to charge for digital content, but face an obstacle in the lack of information about their customers (“A smashing success,” 2010). There were a lot of factors on the consumer side, which need to be analyzed when news organizations were looking for new revenue streams. These included whether consumers were willing to pay, what they were willing to pay for, how much they could afford, and how they would like to pay.
Bibliography
Bibliography


Appendix A
Appendix A

Survey Questions

1. What is the paid circulation of your printed newspaper?
   
   ___ Under 15,000 subscribers
   ___ Between 15,000 - 40,000 subscribers
   ___ Between 40,000 - 200,000 subscribers
   ___ Over 200,000 subscribers

2. What is total reach of your newspaper in your DMA as defined by Audience-Fax?
   Please use 7-day online audience measurement and 7-day newspaper readership.
   
   _____%  (provide estimated percentage here)

3. Please describe your current printed newspaper and online subscription policies.
   
   Print subscriptions – check all that apply
   
   _____7 days per week
_____ Weekend only

_____ Sunday only

_____ Weekday only

Website – check the one that best describes your policy

_____ Free access to website content for all visitors

_____ Free access to website content for print subscribers ONLY

_____ Limited free access to online content before “paywall” is encountered for additional article views

_____ All visitors must pay for any access

4. Do you have an electronic edition that readers can view on their computer using a browser or installed display software?

_____ No

_____ Yes

_____ Under development

If yes, is it for pay or free?

_____ Paid for all
5. Do you have a mobile edition of your newspaper?

   _____ No
   _____ Yes
   _____ Under development

   If yes, is it for pay or free?

   _____ Paid for all
   _____ Free to all
   _____ Free to print subscribers

   If yes, do you have or are you planning to develop an “app” for mobile views?

   _____ Yes
   _____ No

   If yes, is it for pay or free?

   _____ Paid for all
   _____ Free to all
6. Do you have an e-reader edition of your newspaper?

_____ No

_____ Yes

_____ Under development

If yes, is it for pay or free?

_____ Paid

_____ Free

_____ Free to print subscribers

7. Please describe the print or online product changes you are planning to implement in the next 12 months. Check all the items that best describe your plans OR describe in your own words.

___ We plan to add a pay wall to our online product.

___ We plan to eliminate the pay wall to our online or electronic products.

___ We plan to reduce the number of days we print and distribute the product.

___ We plan to improve the efficiencies of production and delivery of our printed product.

___ We plan to add a mobile version of our product.
__ We plan to increase the price of our printed product.

__ We plan to decrease the price of our electronic products.

__ Other – please specify below:

________________________________________________________________________

________________________________________________________________________

Print/Online advertising policy

Describe the advertising policies for your business clients.

__ Separate rates for print and electronic advertising packages.

__ Combined rates for print and electronic advertising packages.

__ Separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website).

__ Email marketing to subscribers using behavioral targeting.

Would you be willing to participate in a short telephone interview if we would like more detail on your policies?

Yes
Would you be interested in assisting us in the design of research to understand reader preference for various forms of payment and user payment thresholds for different news delivery models?

Yes

Contact Information Phone: _______________ Email: _______________
Appendix B
Appendix B

Responses From Interviews in China

What is the paid circulation of your printed newspaper?

1. Reference News (Beijing) about 300,000

2. Dong Fang Daily (Beijing) more than 400,000

3. Fa Zhi Wan Bao (Beijing) about 300,000, more than one million readers

4. China Business Beijing (Beijing) about 100,000

5. China Business (Beijing) about 200,000

6. Wenhui Bao (Shanghai) about 300,000

7. Shanghai Radio & TV Weekly (Shanghai) about 150,000

8. Shanghai Securities News (Shanghai) between 150,000 and 200,000

9. Luoyang Daily (Luoyang) about 90,000

10. Luoyang Wan Bao (Luoyang) about 150,000

Print subscriptions – check all that apply.

1. Reference News (Beijing) 7 days per week
2. Dong Fang Daily (Beijing) 7 days per week

3. Fa Zhi Wan Bao (Beijing) 7 days per week

4. China Business Beijing (Beijing) Weekday only

5. China Business (Beijing) Weekend only

6. Wenhui Bao (Shanghai) 7 days per week

7. Shanghai Radio & TV Weekly (Shanghai) every Thursday

8. Shanghai Securities News (Shanghai) 7 days per week

9. Luoyang Daily (Luoyang) 6 days per week (Mon--Sat)

10. Luoyang Wan Bao (Luoyang) 6 days per week (Mon--Sat)

**Website – check the one that best describes your policy.**

1. Reference News (Beijing) Free access to website content for all visitors

2. Dong Fang Daily (Beijing) Free access to website content for all visitors

3. Fa Zhi Wan Bao (Beijing) Free access to website content for all visitors

4. China Business Beijing (Beijing) Free access to website content for all visitors

5. China Business (Beijing) Free access to website content for all visitors

6. Wenhui Bao (Shanghai) Free access to website content for all visitors
7. Shanghai Radio & TV Weekly (Shanghai) Limited free access to online content before “paywall” is encountered for additional article view

8. Shanghai Securities News (Shanghai) Free access to website content for all visitors

9. Luoyang Daily (Luoyang) Free access to website content for all visitors

10. Luoyang Wan Bao (Luoyang) Limited free access to online content before “paywall” is encountered for additional article view

Do you have an electronic edition replicating the print edition of the newspaper that readers can view on their computer as a PDF or using installed reader software?

1. Reference News (Beijing) Under Development

2. Dong Fang Daily (Beijing) yes, PDF

3. Fa Zhi Wan Bao (Beijing) yes, the electronic newspaper can be read as webpage.

4. China Business Beijing (Beijing) yes, PDF

5. China Business (Beijing) yes, webpage

6. Wenhui Bao (Shanghai) yes, PDF and webpage

7. Shanghai Radio & TV Weekly (Shanghai) no

8. Shanghai Securities News (Shanghai) yes, PDF and webpage

9. Luoyang Daily (Luoyang) yes, PDF
10. Luoyang Wan Bao (Luoyang) yes, PDF

**Is it for pay or free?**

1. Reference News (Beijing) Free to print subscriber

2. Dong Fang Daily (Beijing) Free to all

3. Fa Zhi Wan Bao (Beijing) Free to all

4. China Business Beijing (Beijing) Free to all

5. China Business (Beijing) Free to all

6. Wenhui Bao (Shanghai) Free to all

7. Shanghai Radio & TV Weekly (Shanghai) --

8. Shanghai Securities News (Shanghai) Free to all

9. Luoyang Daily (Luoyang) Free to all

10. Luoyang Wan Bao (Luoyang) Free to all

**Do you have an edition of your newspaper that can be viewed on a mobile device?**

1. Reference News (Beijing) Under Development

2. Dong Fang Daily (Beijing) yes

3. Fa Zhi Wan Bao (Beijing) yes
4. China Business Beijing (Beijing) no
5. China Business (Beijing) no
6. Wenhui Bao (Shanghai) no
7. Shanghai Radio & TV Weekly (Shanghai) no
8. Shanghai Securities News (Shanghai) yes
9. Luoyang Daily (Luoyang) yes
10. Luoyang Wan Bao (Luoyang) yes

Is it for pay or free?

1. Reference News (Beijing) paid for all
2. Dong Fang Daily (Beijing) free to all
3. Fa Zhi Wan Bao (Beijing) paid for all (about half dollar per month)
4. China Business Beijing (Beijing) --
5. China Business (Beijing) --
6. Wenhui Bao (Shanghai) --
7. Shanghai Radio & TV Weekly (Shanghai) --
8. Shanghai Securities News (Shanghai) paid for all
9. Luoyang Daily (Luoyang) paid for all

10. Luoyang Wan Bao (Luoyang) paid for all

**Do you have or are you planning to have an "app" for mobile use?**

1. Reference News (Beijing) no

2. Dong Fang Daily (Beijing) no

3. Fa Zhi Wan Bao (Beijing) no

4. China Business Beijing (Beijing) no

5. China Business (Beijing) no

6. Wenhui Bao (Shanghai) no

7. Shanghai Radio & TV Weekly (Shanghai) no

8. Shanghai Securities News (Shanghai) no

9. Luoyang Daily (Luoyang) no

10. Luoyang Wan Bao (Luoyang) no

**Is it/will it be for pay or free?**

1. Reference News (Beijing) free to all

2. Dong Fang Daily (Beijing) free to all
3. Fa Zhi Wan Bao (Beijing) --

4. China Business Beijing (Beijing) --

5. China Business (Beijing) --

6. Wenhui Bao (Shanghai) --

7. Shanghai Radio & TV Weekly (Shanghai) --

8. Shanghai Securities News (Shanghai) --

9. Luoyang Daily (Luoyang) --

10. Luoyang Wan Bao (Luoyang) –

**Do you have an e-reader edition of your newspaper?**

1. Reference News (Beijing) Under Development

2. Dong Fang Daily (Beijing) yes (ipad version)

3. Fa Zhi Wan Bao (Beijing) Under Development

4. China Business Beijing (Beijing) no

5. China Business (Beijing) no

6. Wenhui Bao (Shanghai) no

7. Shanghai Radio & TV Weekly (Shanghai) no
8. Shanghai Securities News (Shanghai) Under Development

9. Luoyang Daily (Luoyang) no

10. Luoyang Wan Bao (Luoyang) no

Is it for pay or free?

1. Reference News (Beijing) paid for all

2. Dong Fang Daily (Beijing) free to all (temporary)

3. Fa Zhi Wan Bao (Beijing) paid for all

4. China Business Beijing (Beijing) --

5. China Business (Beijing) --

6. Wenhui Bao (Shanghai) --

7. Shanghai Radio & TV Weekly (Shanghai) --

8. Shanghai Securities News (Shanghai) paid for all

9. Luoyang Daily (Luoyang) --

10. Luoyang Wan Bao (Luoyang) –

Over the next 12 months, are you planning to change the payment model for your online, mobile, or electronic delivery method?
1. Reference News (Beijing) no

2. Dong Fang Daily (Beijing) yes

3. Fa Zhi Wan Bao (Beijing) yes

4. China Business Beijing (Beijing) no

5. China Business (Beijing) no

6. Wenhui Bao (Shanghai) no

7. Shanghai Radio & TV Weekly (Shanghai) no

8. Shanghai Securities News (Shanghai) yes

9. Luoyang Daily (Luoyang) no

10. Luoyang Wan Bao (Luoyang) no

If yes, what changes are you considering? Check all the items that best describe your plans OR describe in your own words.

1. Reference News (Beijing) --

2. Dong Fang Daily (Beijing)

We plan to begin charging for mobile and ipad version. The online news contents are more likely to continue being free.
3. Fa Zhi Wan Bao (Beijing)

We plan to begin charging for our online, mobile or electronic products.

4. China Business Beijing (Beijing) --

5. China Business (Beijing) --

6. Wenhui Bao (Shanghai) --

7. Shanghai Radio & TV Weekly (Shanghai) --

8. Shanghai Securities News (Shanghai)

We plan to increase the price of our mobile or electronic online products.

9. Luoyang Daily (Luoyang) --

10. Luoyang Wan Bao (Luoyang) –

Please describe the print product changes you are planning to implement in the next 12 months. Check all the items that best describe your plans OR describe in your own words.

1. Reference News (Beijing) We plan to increase the price of our printed product.

2. Dong Fang Daily (Beijing) no

3. Fa Zhi Wan Bao (Beijing) no
4. China Business Beijing (Beijing) no

5. China Business (Beijing) no

6. Wenhui Bao (Shanghai) no

7. Shanghai Radio & TV Weekly (Shanghai) no

8. Shanghai Securities News (Shanghai) no

9. Luoyang Daily (Luoyang) no

10. Luoyang Wan Bao (Luoyang)

We plan to change the number of pages of the newspaper.

Describe the advertising policies for your business clients. Check all the items that describe your policies.

1. Reference News (Beijing)

We have separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website)

2. Dong Fang Daily (Beijing)

The online advertising package is currently a free gift to those who have purchased the print advertising package. We have the plan to sale online advertising packages separately.
3. Fa Zhi Wan Bao (Beijing)

We have separate rates for print and electronic advertising packages

4. China Business Beijing (Beijing)

We have separate rates for print and electronic advertising packages

5. China Business (Beijing)

We have separate rates for print and electronic advertising packages

6. Wenhui Bao (Shanghai)

We have combined rates for print and electronic advertising packages

7. Shanghai Radio & TV Weekly (Shanghai) no website

8. Shanghai Securities News (Shanghai)

We have separate rates for print and electronic advertising packages.

We have separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website).

9. Luoyang Daily (Luoyang)

We have separate rates for print and electronic advertising packages (the majority of our clients only advertise on the print newspaper)
10. Luoyang Wan Bao (Luoyang)

We have separate rates for print and electronic advertising package (the majority of our clients only advertise on the print newspaper)

We have separate pricing for Search Engine Marketing (e.g., pay per click and/or contextual advertising on the newspaper’s website).