



TECHNOLOGY, MEDIA &
TELECOMMUNICATIONS

Willingness to pay for news online

The France Survey findings

November 20, 2009

THE BOSTON CONSULTING GROUP

Key findings

Will consumers pay for online news? This is a burning issue for newspapers in the developed world

The Boston Consulting Group (BCG) in October conducted a survey of 5,000 consumers in nine countries, including the U.K., U.S., France, and Germany, that suggests people are willing pay a modest amount, around €3 a month, for online news. Of French consumers, 54% state they are willing to pay some amount per month for online news.

This finding is applicable to most developed markets but applies to content that is

- unique (e.g., local news or specialized coverage)
- timely (e.g., continuous news alert service)
- conveniently accessible on a device of choice

Especially French consumers are willing to pay for unique content such as local news/info, exclusive information, investigative reporting and premium content on topics of interest. TV, radio and portal sites are more popular than newspaper websites as a source for news in France. However, French consumers would like to purchase online news from newspapers websites as much as from online portals or TV websites.

While encouraging, this willingness to pay will not fundamentally shift newspaper industry economics. It would have a negligible impact on industry revenues. For instance, it would only shift the revenue mix in France to consumer pay by 1 to 2 percentage points toward consumer pay. However, its impact on margin would be more significant. Newspapers will need to understand and test how they can carve out a business that will not cannibalise existing revenues.

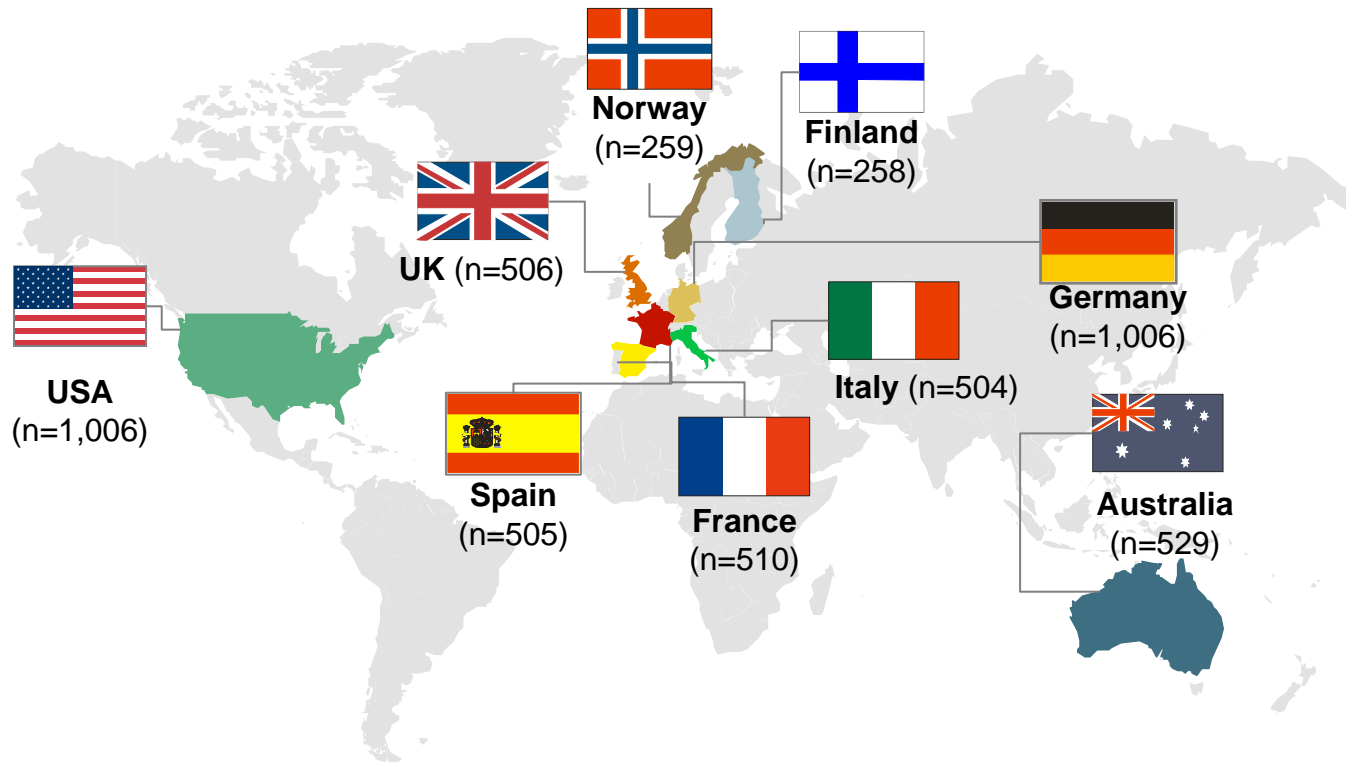
Finally, this impact will not affect all newspapers in the same way. It will differentially benefit newspapers with unique reporting and/or a unique voice as well as those with strong subscriber bases. In particular, newspapers with local and niche content distributing multi-channel (e.g., iPhone-style apps) is well positioned to take advantage of these trends in France.

These findings imply that there will be many hybrid models for accessing and paying for online news, e.g.,

- the best newspapers will leverage their content and subscribers and incrementally improve their economics
- different customer segments will have different preferences for premium quality/niche content, how to access, and how to pay
- new entrants will look for ways to provide news as part of their customized and personalized offers to all devices

BCG conducted a multi-country survey in October 2009: "Will consumers pay for online news?"

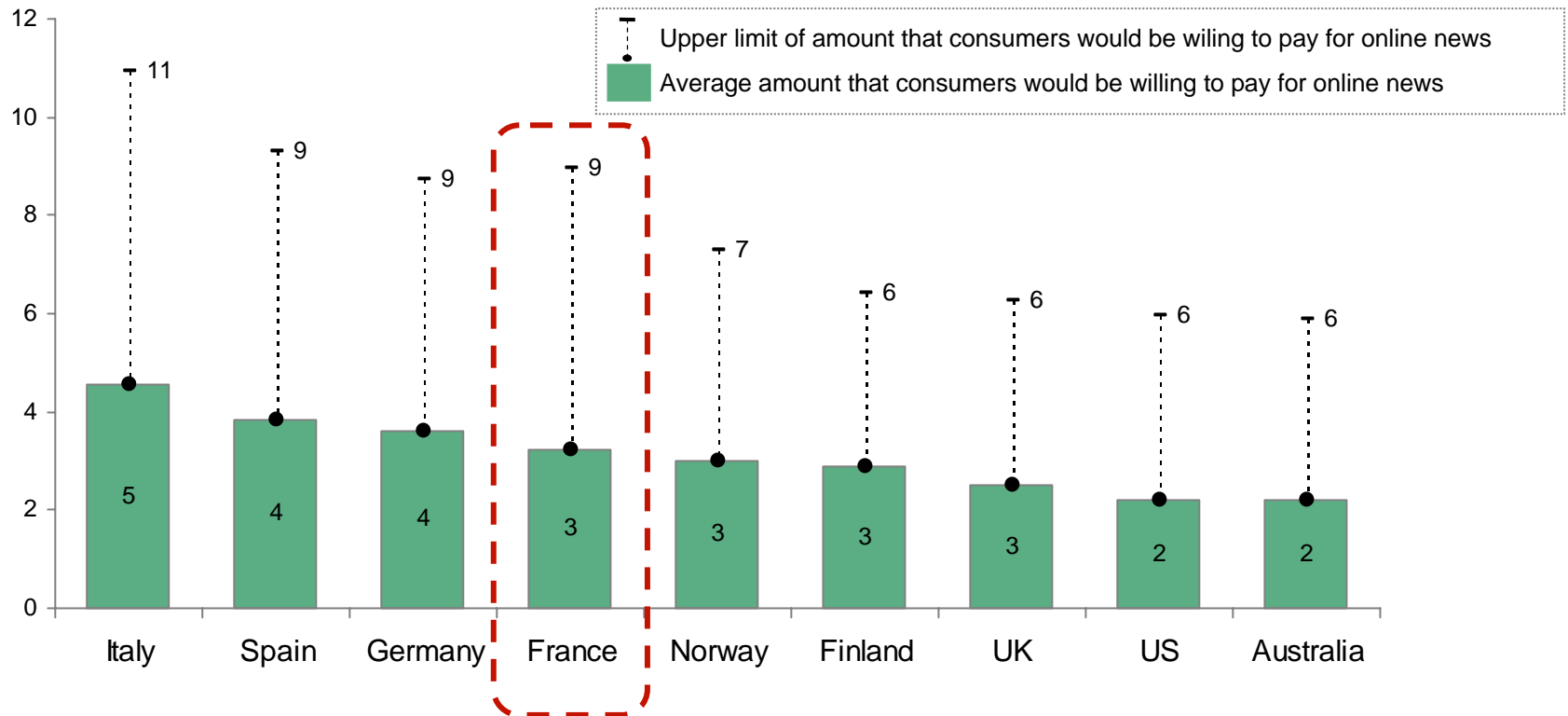
5,083 consumers participated in the survey from top 9 markets



Consumers are willing pay a modest amount, around €3 a month, for online news

How much per month are you willing to spend to get online news on your PC or mobile?

Average amount that consumers would be willing to pay for online news (€)

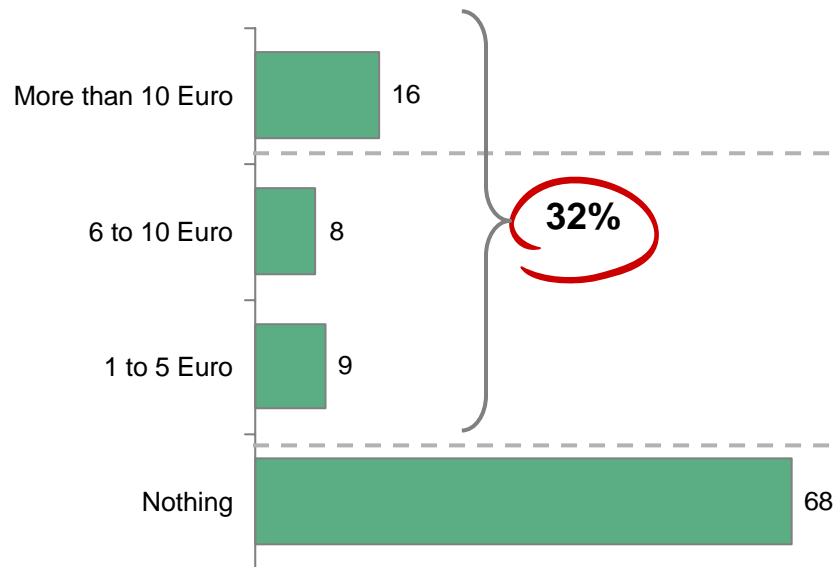


54% of France consumers are willing to pay for online news – vs. 32% currently paying for online news

32% currently paying for online news

How much do you spend per month on any online news subscription?

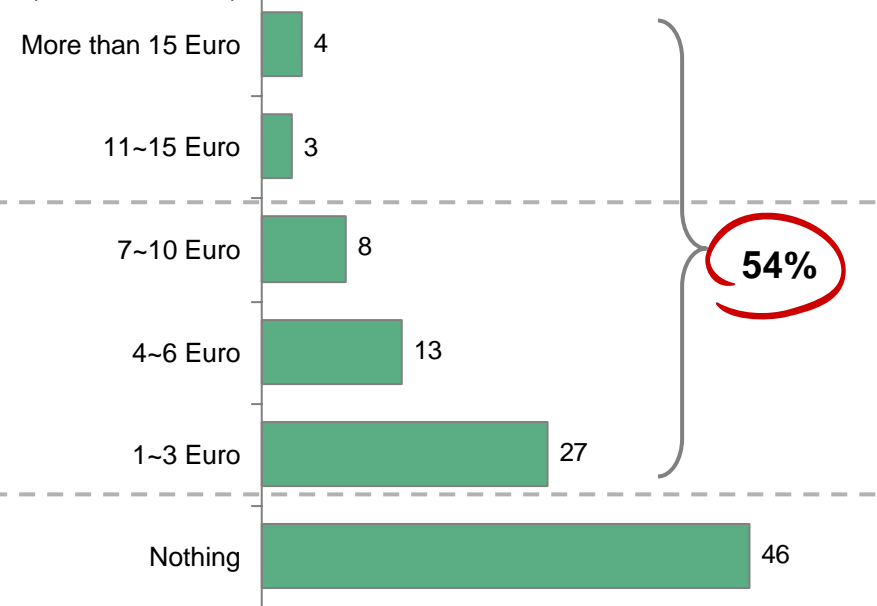
(% of answers)



54% are willing to pay for online news

How much per month are you willing to spend to get online news?

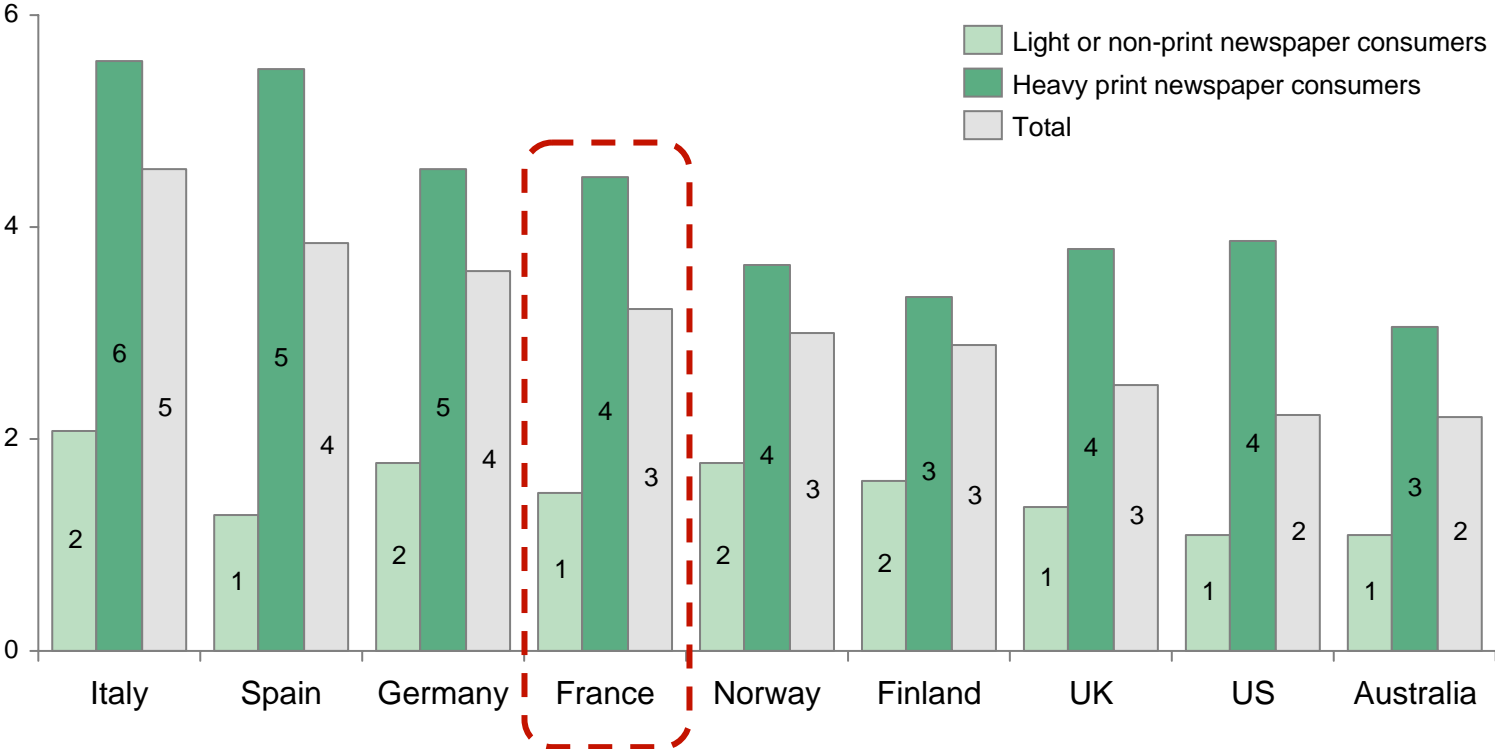
(% of answers)



Heavy consumers of print newspapers are more willing to pay for online news

How much per month are you willing to spend to get online news on your PC or mobile?

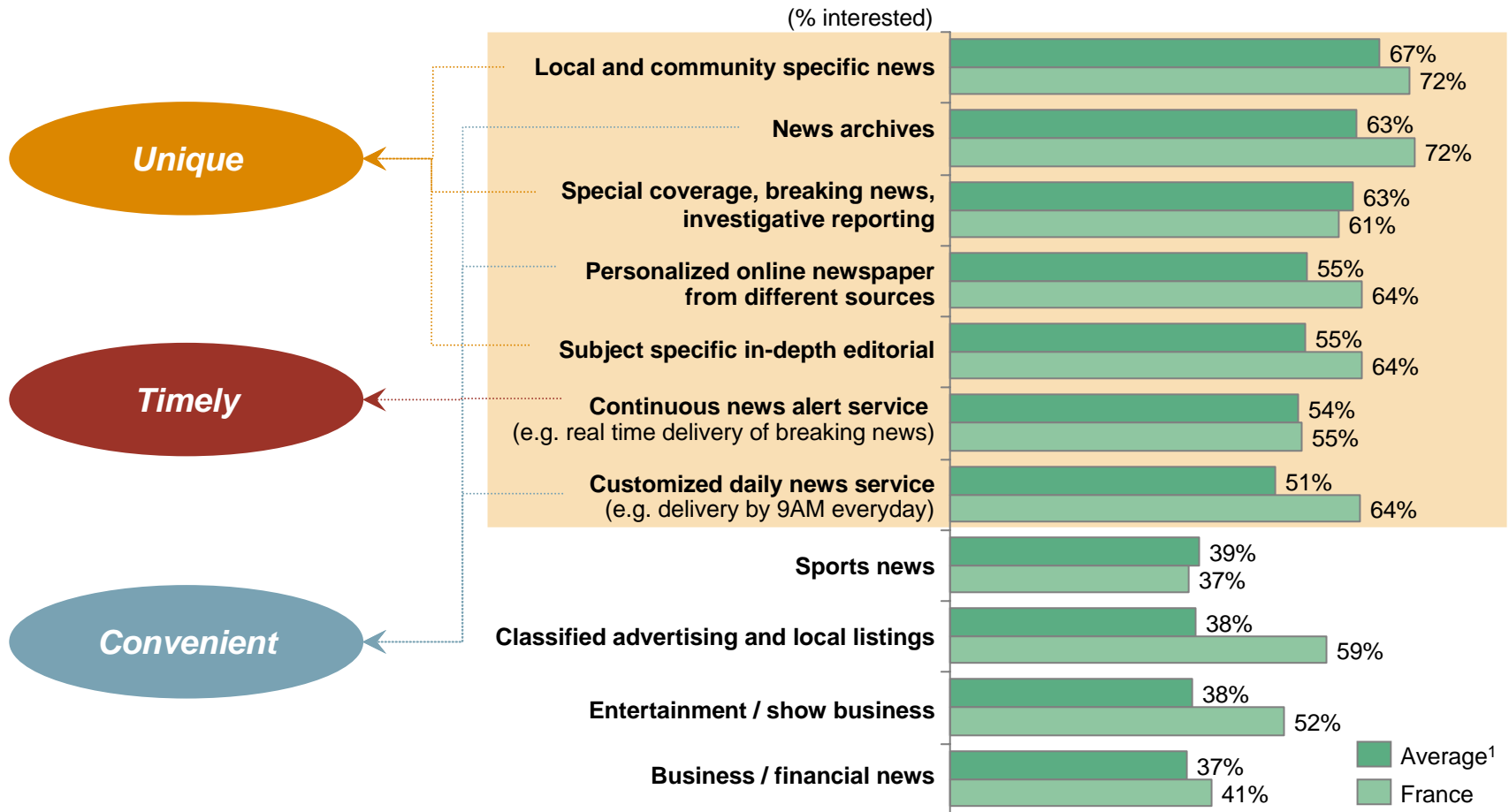
Average amount that consumers would be willing to pay for online news (€)



Note: Light or non-print newspaper consumers - Respondents who currently spend less than €3/mth on print newspapers, Heavy print newspaper consumers - Respondents who currently spend > €3/mth on print newspapers
 Source: BCG Multi-Country Survey on Online Paid Content (Oct, 2009, sample size=5,083), BCG analysis

Highest willingness to pay for online news that is unique, timely and conveniently accessible ...

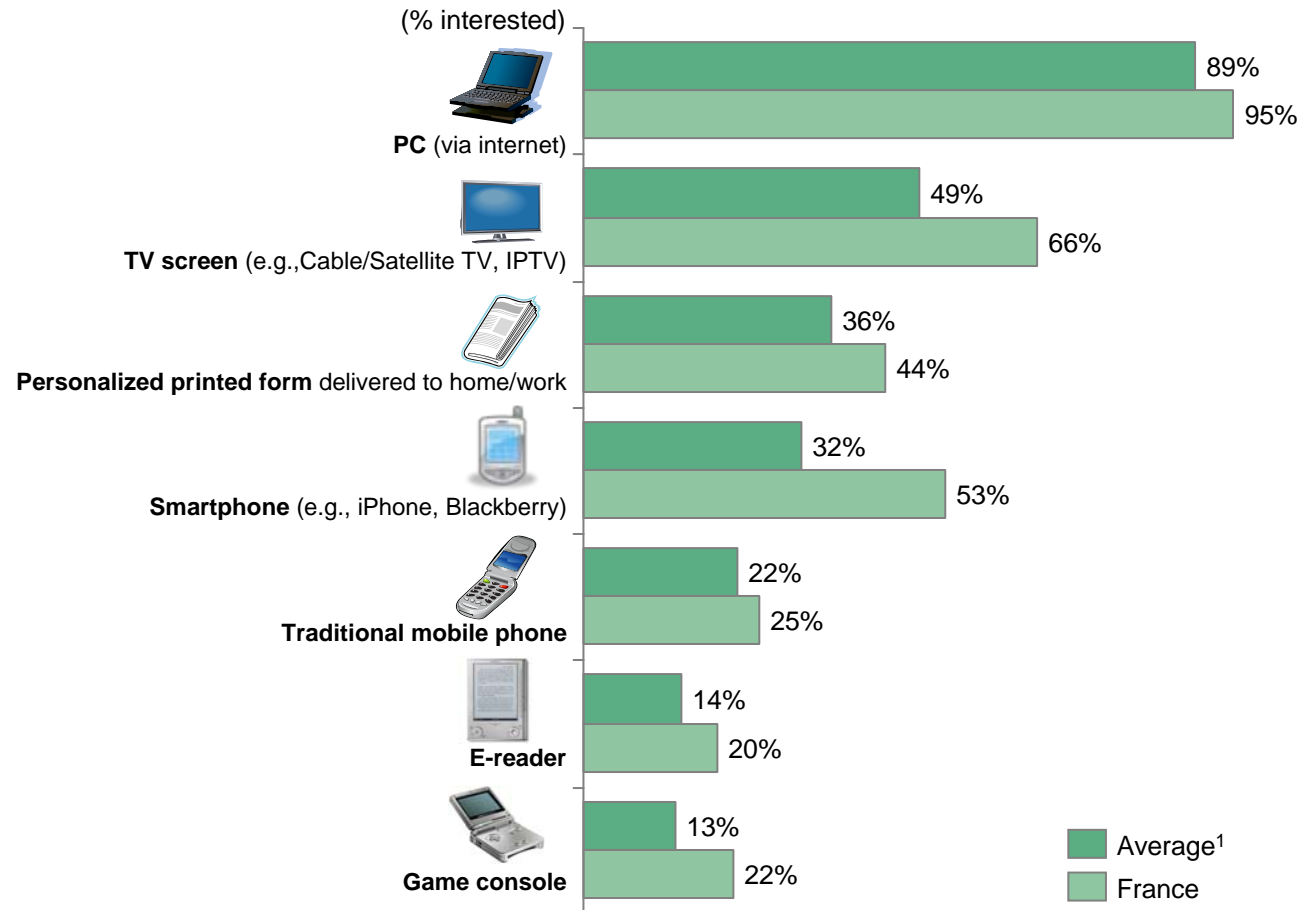
How interested would you be in accessing each of these type of online news?



1. The average score (% interested/strongly interested) of 9 countries
 Source: BCG Multi-Country Survey on Online Paid Content (Oct, 2009, sample size=5,083), BCG analysis

... and conveniently accessible on a device of choice in most developed markets

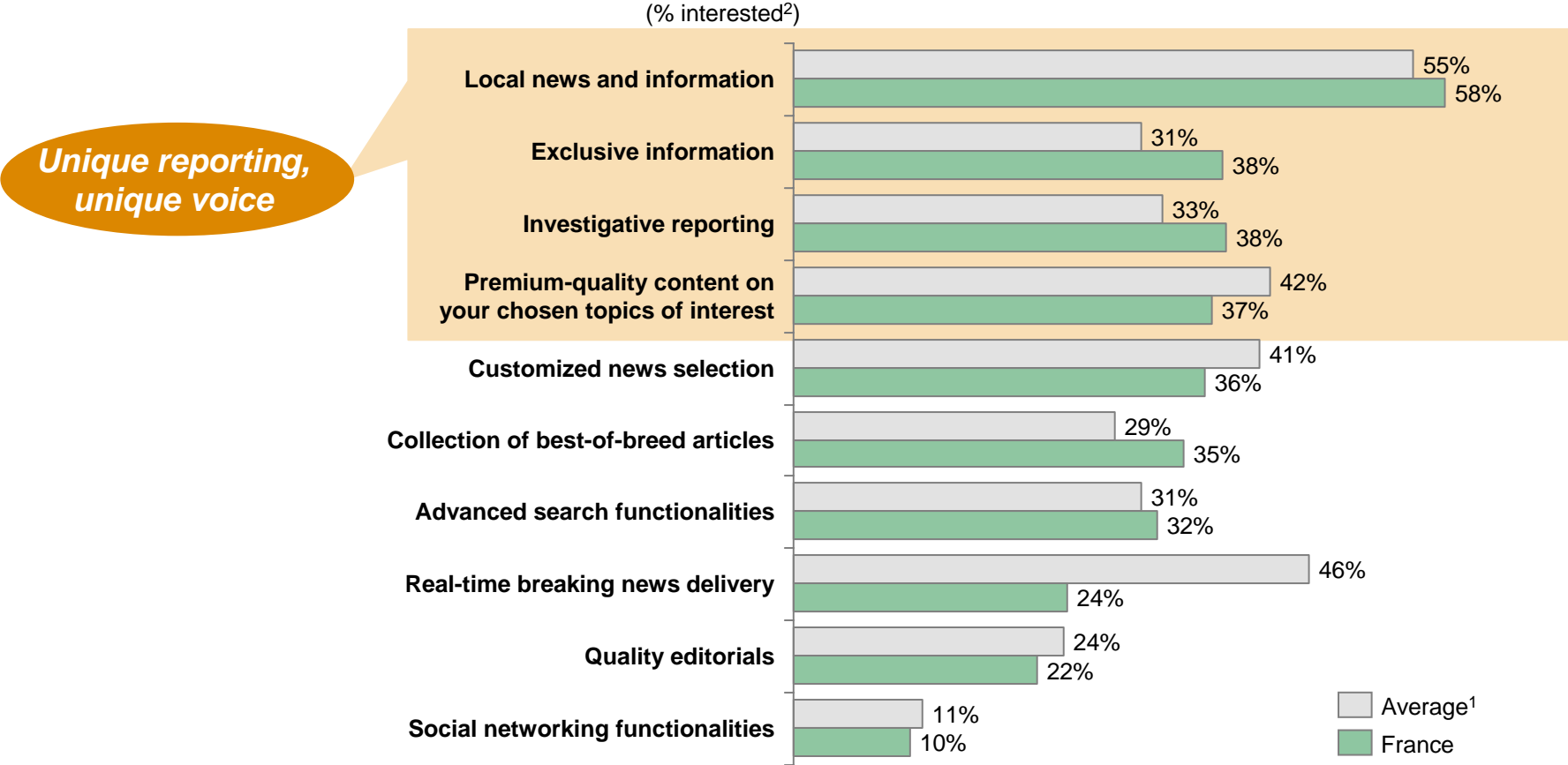
On which device would you prefer to receive your online news?



1. The average score (% interested/strongly interested) of 9 countries
 Source: BCG Multi-Country Survey on Online Paid Content (Oct, 2009, sample size=5,083), BCG analysis

French consumers are especially willing to pay for unique content

Which of these content or functionalities are you willing to pay for?

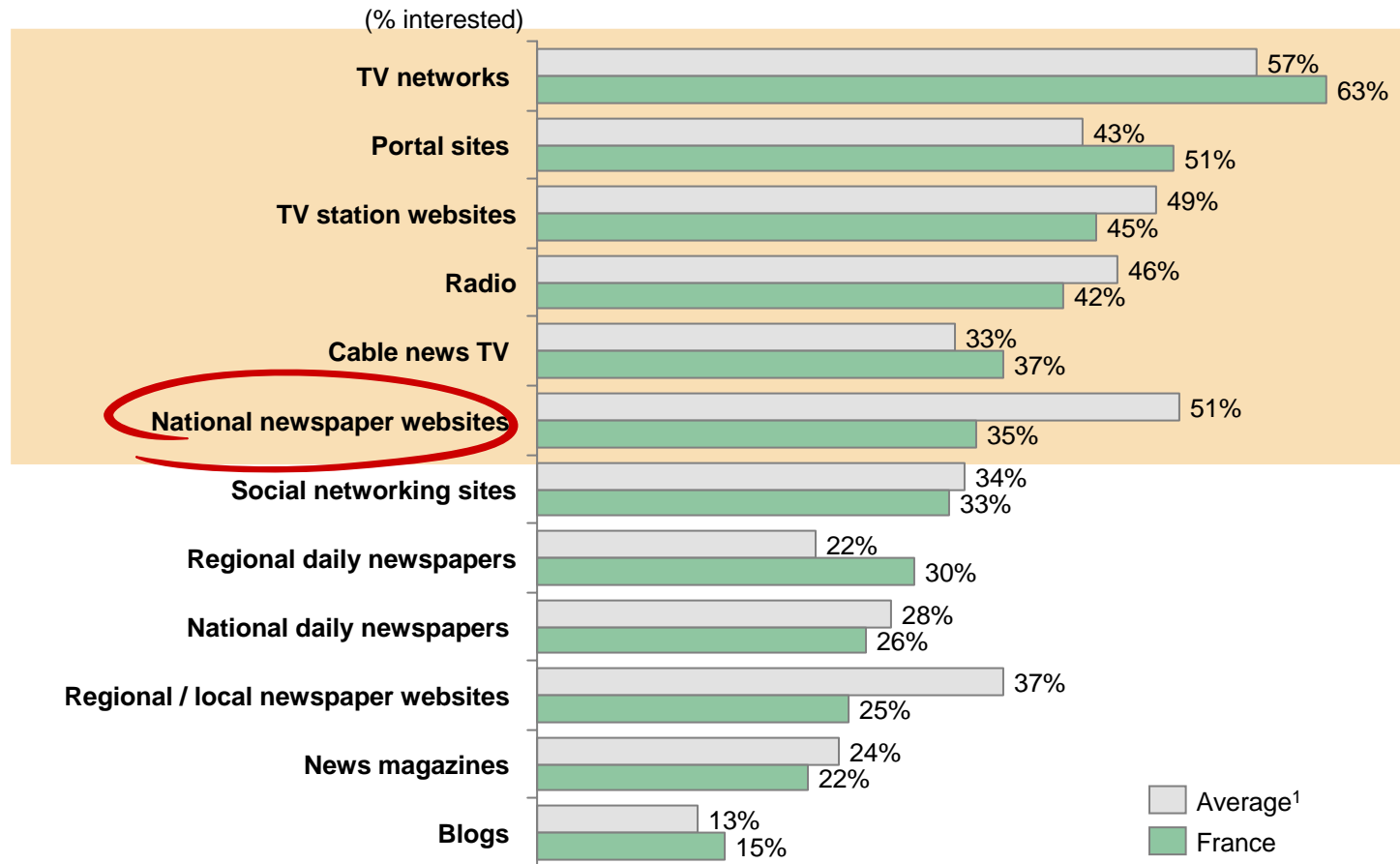


1. The average score (% interested/strongly interested) of 9 countries, 2. Among the respondents with online content purchase intent

Source: BCG Multi-Country Survey on Online Paid Content (Oct, 2009, sample size=5,083), BCG analysis

TV, radio and portal sites are more popular than newspaper websites as a source for news in France

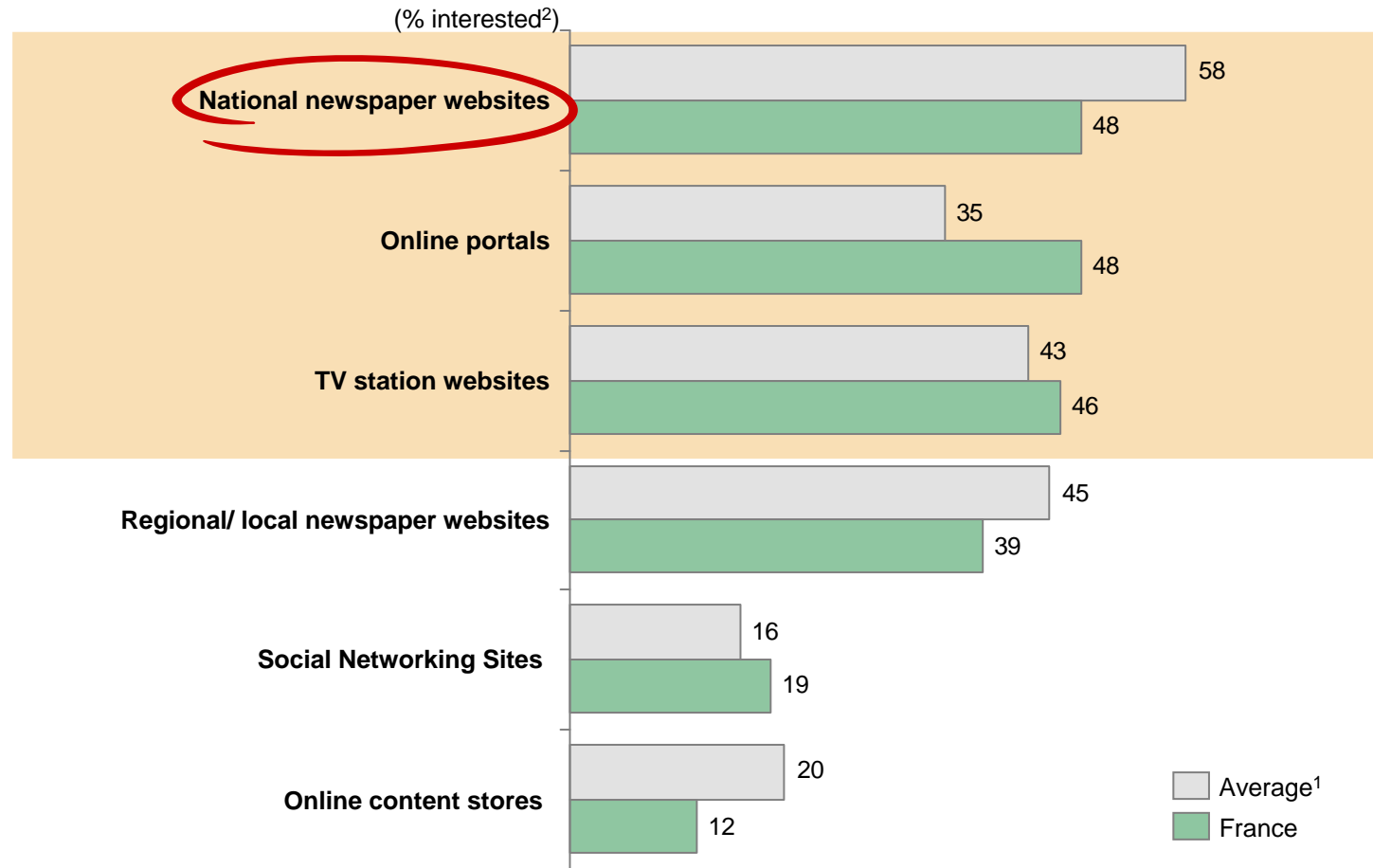
Which are your usual sources for news and information?



1. The average score (% interested/strongly interested) of 9 countries
 Source: BCG Multi-Country Survey on Online Paid Content (Oct, 2009, sample size=5,083), BCG analysis

French consumers would like to purchase online news from newspapers sites as much as from online portals or TV sites

Which of the following providers would you like to purchase online news from?



1. The average score (% interested/strongly interested) of 9 countries, 2. Among the respondents with online content purchase intent
Source: BCG Multi-Country Survey on Online Paid Content (Oct, 2009, sample size=5,083), BCG analysis