Digitalization in the newspaper industry

A business model for the e-newspaper from a customer perspective

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There is a high rate of innovation in the Norwegian media system that shows the emergence of a complex pattern of digital news distribution (Tore Slaatta, 2015)
Number of newspaper subscriptions are dropping
E-Newspaper on the rise
Krantenstatistiek (2013)

• Digital news emphasizes visual format and is updated constantly (Nossek et al, 2015)
Little debate in literature

- “What should be the business model of the e-newspaper, looking from a customer perspective?”
- Scopus: “e-newspaper” OR "digital newspaper" OR "electronic newspaper" → 248 results; 161 from last 10 years; 6 articles published have over 15 citations
- Scopus: “business models” → 11.211 results; 9.814 from last 10 years.; 11 Articles published have over 400 citations
New Definition

An e-newspaper is a newspaper in digital formats, so it can be searched comprehensively, quickly and reliably. An e-newspaper has the form of a webpage or mobile application and can be accessed with personal computers and mobile devices like a tablet or a smartphone or e-reader (Spil & Suijkerbuijk, 2015)
Research methods

• Literature Review
  – E-newspapers
  – Business models

• Interviews
  – 29 useful interviews
    • Based on PRIMA/USE-IT model (Spil, Michel-Verkerke, 2013)
“Successful” initiatives

• Music and video industry: ITunes, Spotify, Netflix

• Central seller: bringing items from different producers to customer

• Newspapers:
  – Blendle
  – Yournalist
  – Elinea (streaming)
Business Modeling
Value proposition model

Osterwalder and colleagues (2012)
Value proposition

- Socialize (share and discuss) and education
- Bundled or debundled
- Multimedia, hyperlinks

- Ease of use can be problematic:
  - Small screens
  - Internet too slow
  - Different layout

- No nostalgic value
  - Turning pages
  - At breakfast table
  - Cutting out articles
Customer relationship

- Younger audience
  - Older audience later (Facebook case)
- Automated services and direct contact
- Local reader as niche?
- Professional or entertainment
- Specialized or general
- Mobile application and website
Infrastructure management

• Extra editing (bloggers, reader content)
• Extra journalism related tasks (finding latest news on many different online sources)
• Content from multiple sources must be fitted with newspaper image
• Maintaining servers, application, website, and security or outsource
• Partnering with central seller
Financial aspects

- Little printing/distribution costs
- Still lower advertising income
Finance 2 - Discussion

• Free content (NU.nl)? → Results show no association by readers between paying for news and higher quality

• Licensing income? (30% in case of Blendle and ITunes)
Sources:

- Michel-Verkerke, M B, Spil, TAM (2013)"” The USE IT-adoption-model to Predict and Evaluate Adoption of Information and Communication Technology in Healthcare" Methods of information in Medicine, [http://dx.doi.org/10.3414/ME12-01-0107](http://dx.doi.org/10.3414/ME12-01-0107).