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Jahrbuch
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24



Schwabe Verlag

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 Kurt Imhof
Stiftung
für Medienqualität

Yearbook Quality of the Media 2024

The relationship between public and private media in Switzerland

Zurich, 21 October 2024

Contact: kontakt@foeg.uzh.ch

Social: @foegUZH #QdM24

Livestream: <https://www.youtube.com/watch?v=HeI9H4zBPPE>



Greeting

Barbara Käch

Board of Trustees of the Kurt Imhof Foundation for Media Quality



Yearbook Quality of the Media 2024

Presentation of the findings on the relationship between SRG and private media

Dr. Linards Udris

Member of the Executive Board fög

General remarks

- Presentation in English at:

www.foeg.uzh.ch/en > Yearbook Quality of the Media > Other documents

- Submit questions from the live stream via:

www.slido.com, Code: #4097545

«Crowding out» argument – do public media displace private media?



Bild: Dall-E

Current state of research

JOURNAL OF MEDIA ECONOMICS
2022, VOL. 34, NO. 1, 29–61
<https://doi.org/10.1080/08997764.2022.2060241>



Free lunch for all? – A path analysis on free mentality, paying intent and media budget for digital journalism

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ABSTRACT

The advertising-based business model of journalism is under massive economic pressure. Thus, paid online content is becoming increasingly important for publishers. However, most consumers refuse to pay for online content at all. "Free mentality," the consumer's aversion to accept any price point other than zero, is discussed as one major reason. This paper is the first to empirically examine whether free mentality is associated with a reluctance to pay for online news. For this purpose, data of a comprehensive user survey in Germany (n = 1,004) was analyzed via ordered probit models and path analysis. Additionally, moderating effects with regards to free mentality and perceived value were examined. Results confirm low paying intent in the public and the role of free mentality therein. Beyond, free mentality significantly moderates the effect of perceived value on paying intent. The ideal of the Internet as disseminator of free ideas has a strong indirect effect on paying intent. Additionally, mandatory public service media fees in Germany pose another possible context-dependent rationale. This implies that the audience tends to perceive generic online goods akin to public goods. Thus, publishers must focus on the paying minority and the creation of added value via sufficient differentiation.

Introduction

"On the one hand information wants to be expensive, because it's so valuable. [...] On the other hand, information wants to be free, because the cost of getting it out is getting lower and lower all the time." (Levine, 2011, p. 20). Information goods, i.e., goods, which can be digitized, thereby limitlessly copied, and distributed, are both becoming increasingly valuable and valueless *at the same time*.

The mere truth that vast amounts of human creative productions are nowadays available for free on the internet crept so quietly into our everyday life's that some authors felt headed to point out: "The fact that we are now creating a global economy around the price of zero seemed too self-evident to even note." (Anderson, 2009, p. 35). However, while the Internet enabled new businesses to grow and new tech giants to emerge, running on the power of a zero marginal cost and an exacerbated advertising-based model, other businesses suffered.

Especially, journalism is under increasing economic pressure. For years, newspaper publishers have been confronted with declining revenues from individual sales and subscriptions in the print segment. At the same time, advertising revenues, which have a long history of cross-subsidizing news, are decreasing sharply, and nowadays mainly benefit big tech corporations like Google and Facebook

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Supplemental data for this article can be accessed online at <https://doi.org/10.1080/08997764.2022.2060241>

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PAYING FOR ONLINE NEWS A comparative analysis of six countries

Richard Fletcher and Rasmus Kleis Nielsen

Private news media across the world are trying to develop pay models for news. Our understanding of what drives behaviour and attitudes to paying for online news, however, remains limited. We use survey data from six countries (France, Germany, Japan, Spain, United Kingdom, and United States) to investigate three hypotheses: (1) those who use public service media for online news are less likely to pay for/express a willingness to pay because they have a reference price of zero for online news, (2) those who pay for print newspapers are more likely to pay for/express a willingness to pay for online news because they have a reference price above zero for offline news, and (3) that younger people are more likely to pay for/express a willingness to pay for online news because they are more likely to have a reference price above zero for other digital content. Our analysis supports Hypotheses 2 and 3, but not Hypothesis 1. Therefore, paying for offline news increases the likelihood of paying for online news because it helps create a reference price above zero. However, consuming free online news from public service media does not by itself create a reference price of zero for online news.

KEYWORDS: business of news; comparative research; online news; paying for news; paywalls; reference price

Introduction

Private news media across the world are trying to develop pay models for news, as advertising revenues alone look insufficient to sustain existing forms of professional journalistic news production (Cagé 2016; Herbert and Thurman 2007; Myllylahti 2014; Swatman, Krueger, and van der Beek 2006). Both popular and elite newspapers (like *Bild* and *The New York Times*) and online-only news sites (like DeCorrespondent and Media-Part) are experimenting with pay models, including hard or metered paywalls, freemium models, memberships, and micropayments. Some have struggled. (The British tabloid *The Sun* abolished its paywall in August 2015 less than two years after introducing it.) Others seem to thrive. (The *Financial Times* has more than three-quarters of a million subscribers, more than at any point in its history.) Yet, with some variation country to country, only a minority of people are paying for online news (Fletcher et al. 2015; Newman, Levy, and Nielsen 2015), prompting analysts to question whether pay models will ever work in a media environment where many have become accustomed to free news (e.g. Pickard and Williams 2014). This, combined with declining print circulations and decreasing advertising revenues, is already posing an existential problem for some

Digital Journalism, 2017
Vol. 5, No. 9, 1173–1191, <https://doi.org/10.1080/21670811.2016.1246373>
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Full Length Article

Crowding out: Is there evidence that public service media harm markets? A cross-national comparative analysis of commercial television and online news providers

Annika Sehl

University of the Bundeswehr Munich, Germany

Richard Fletcher and Robert G Picard

University of Oxford, UK

Abstract

The impact of public service media (PSM) on media competition has become a topic of debate in many European countries. Some argue that PSM could starve commercial media, or discourage them from entering markets in the first place because they shrink commercial audiences, lowering both advertising income for free commercial television and willingness to pay for commercial products. Despite its prevalence as a policy argument, there has been limited research about the crowding out concept – and almost no research that is independent, comparative, and considers broadcasting as well as online markets. This article addresses these shortcomings by examining whether there is any evidence to support the crowding out argument by analysing national broadcast and online markets in all 28 European Union countries. More specifically, we focus on data on market resources, audience performance and payment for digital news. The analysis reveals little to no support for the crowding out argument for broadcasting and related online markets.

Keywords

Commercial media, crowding out, economics, policy, public service media, public value test

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European Journal of Communication
2020, Vol. 35(4) 389–409
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DOI: [10.1177/0267323120903688](https://doi.org/10.1177/0267323120903688)
journals.sagepub.com/home/ejc

Method of the study

Data source: Digital News Report, Reuters Institute (University of Oxford)

Representative population survey of approx. 2000 people in German- and French-speaking Switzerland

Focus on news use

Analysis: use of channels and media brands, willingness to pay for online news

Chapter II

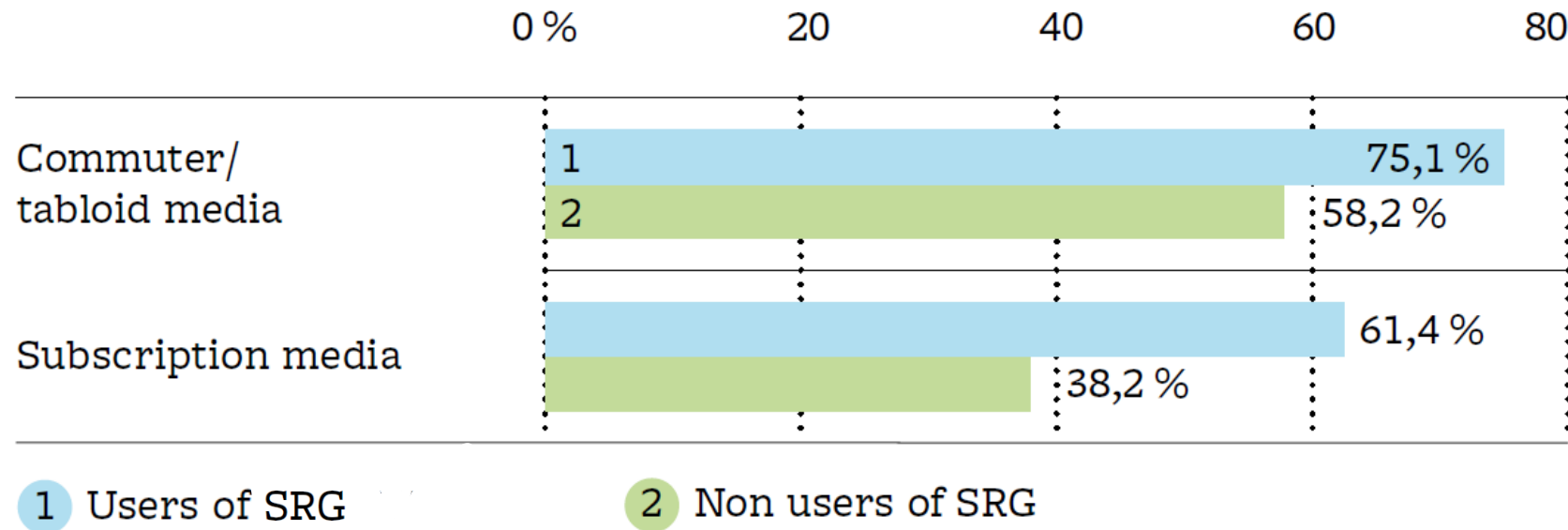


[Digital News Report 2024](#) [Interactive](#) [Methodology](#) [Previous reports](#) [Lee en español](#) [Resources](#)

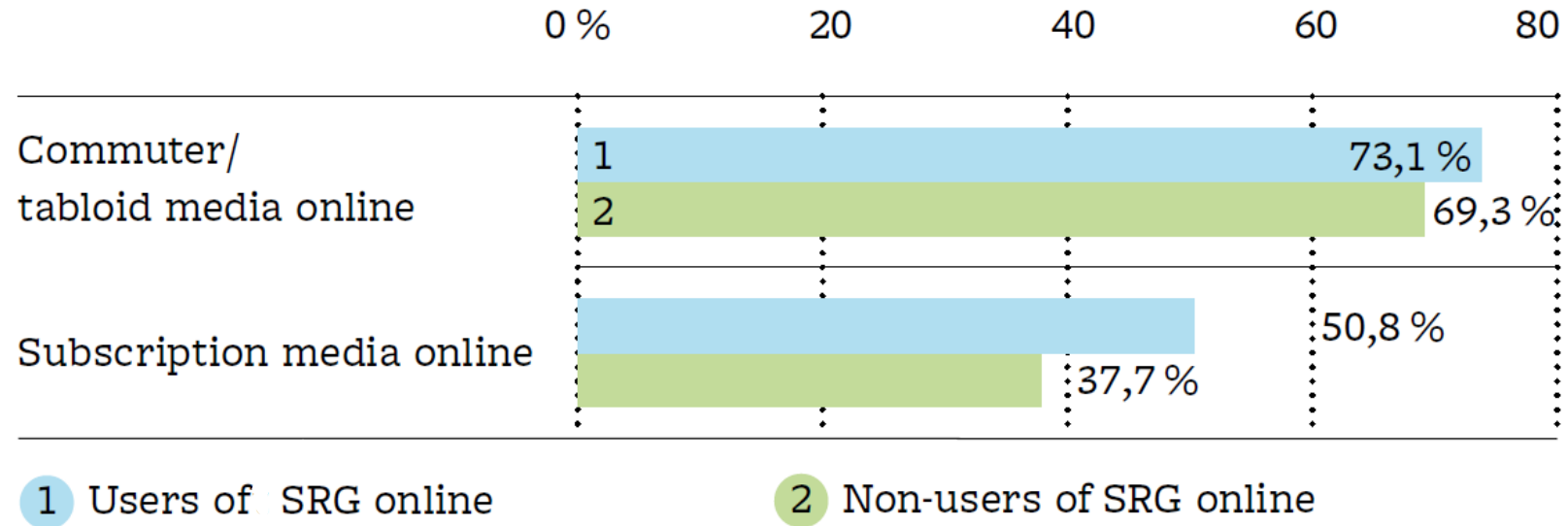


Digital News Report 2024

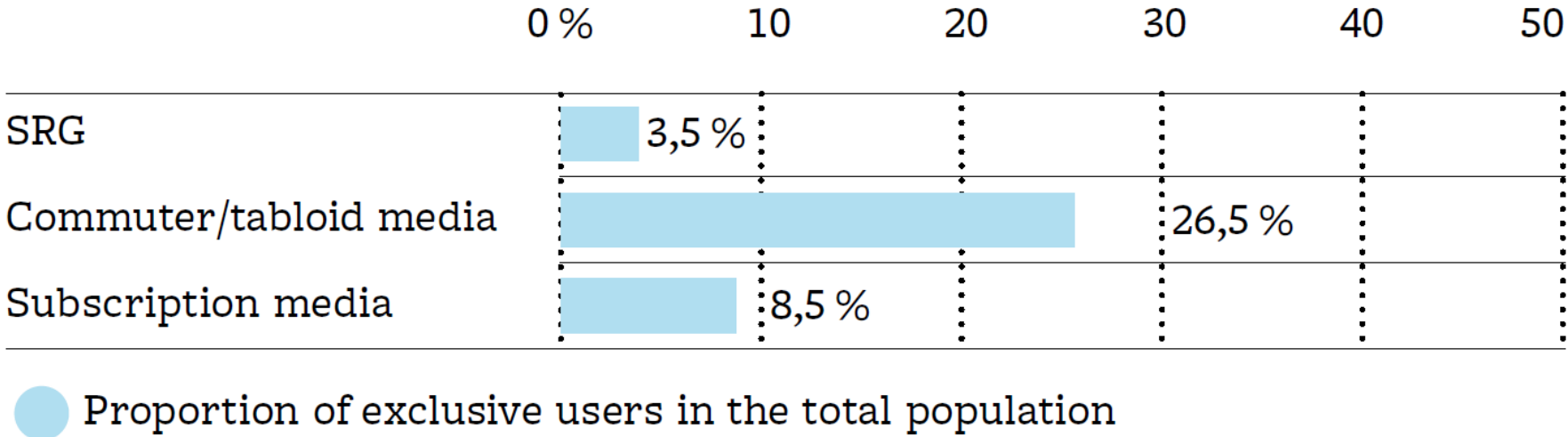
News users of SRG use private media more often than non-users



News users of SRG use private media more often than non-users – also online



Only a small part the population are exclusive users of SRG online

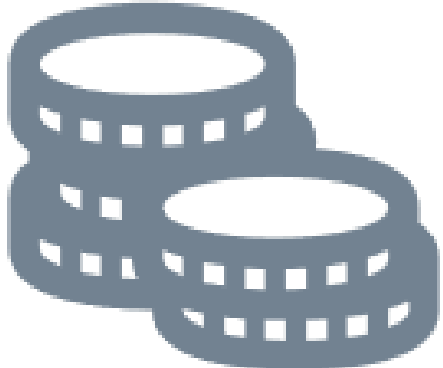


No correlation between the use of “free” media types and the willingness to pay for online news

Use of offline media types

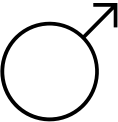


Use of online media types



17%
Willingness
to pay

! Political
News



Important factors: interest in politics / news, gender, age, language region

Data: Reuters Institute Digital News Report 2024 – representative online survey of approx. 2000 participants at the beginning of 2024.

No «crowding out» – positive interaction



«There's not much left because of SRG»

The “crowding out” argument is not supported by empirical evidence



«A cake for everybody»

Use of SRG news and private media complement each other

- International research shows: strong dual media systems and “healthy democracies” are linked to each other



Yearbook Quality of the Media 2023

Presentation of other main findings

Dr. Daniel Vogler

Head of Research and Deputy Director of the fög

Swiss population still critical of the use of AI in journalism

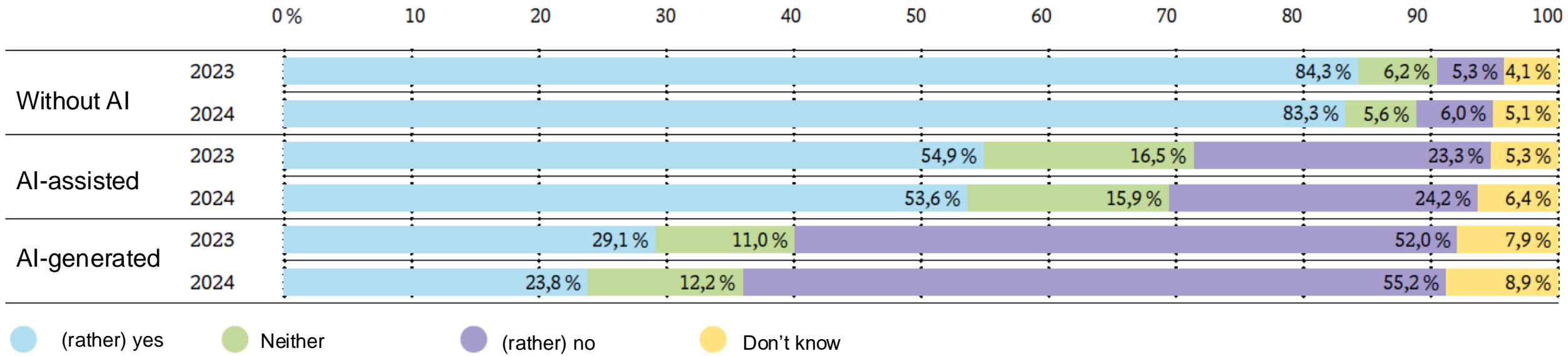
Chapter III



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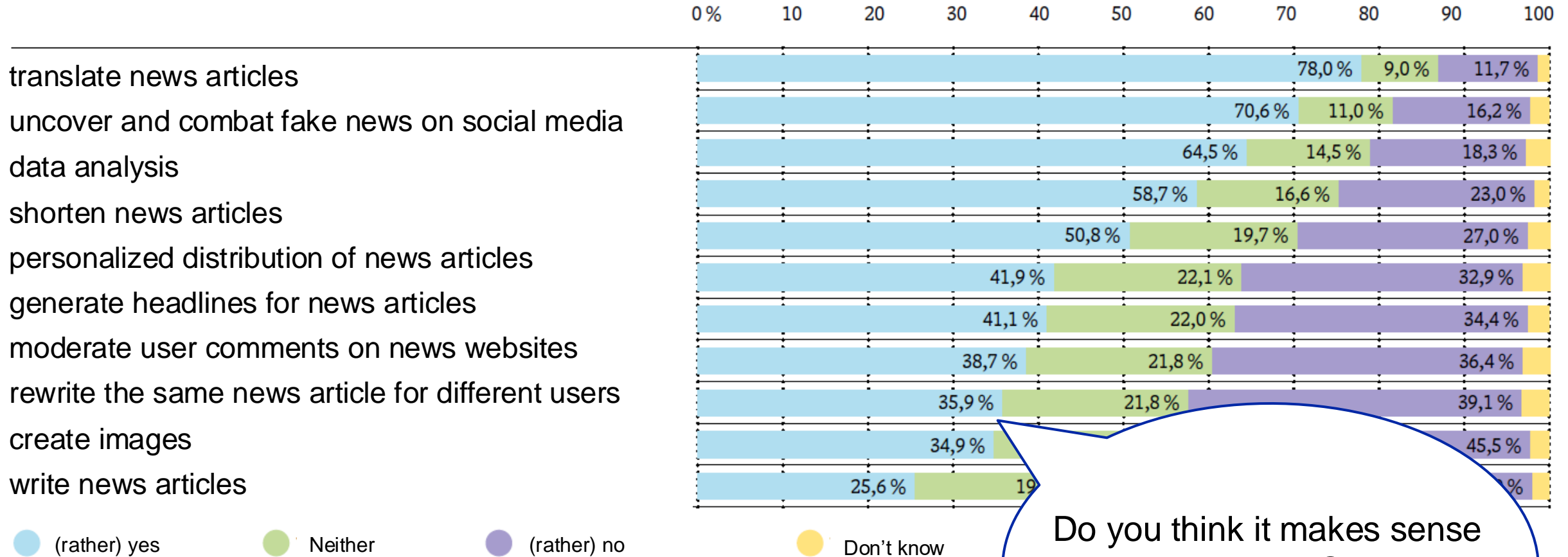
Acceptance of AI-generated news remains low

Would you read news articles that were written...?



Data: fög – representative online surveys in Switzerland in June 2023 and June 2024. 1,254 (2023) and 1,287 (2024) participants from German- and French-speaking Switzerland.

Higher acceptance of AI in supporting functions



Do you think it makes sense when AI is used by Swiss media for the following tasks?

The audience expects detailed declaration of AI

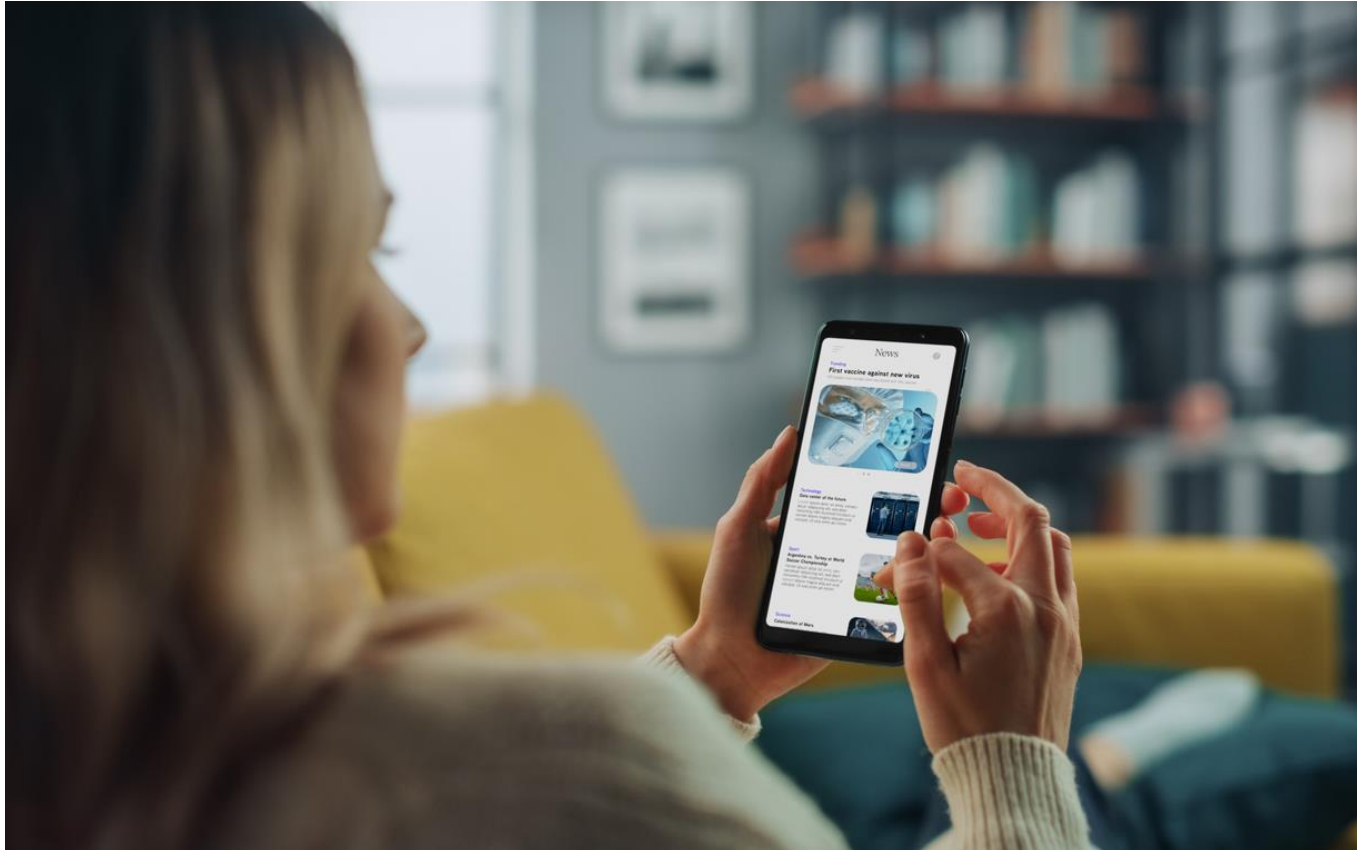


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How much do you agree with the the following statements?
Swiss media should...

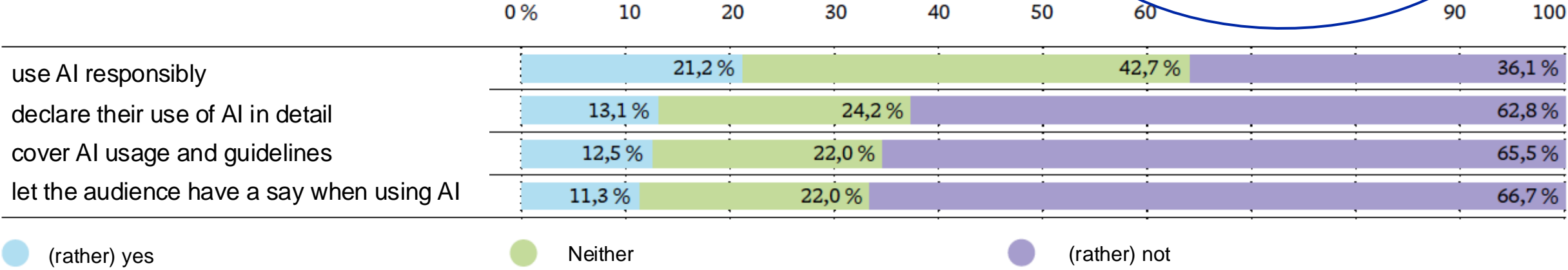
91%: always be responsible for their AI content

76%: declare the use of AI in detail

48%: declare the use of AI once

According to the audience, Swiss media do not consistently use AI responsibly

The news outlets that I use most often...?



Data: fög – representative online survey in Switzerland in June 2024, 1,287 participants from German- and French-speaking Switzerland.

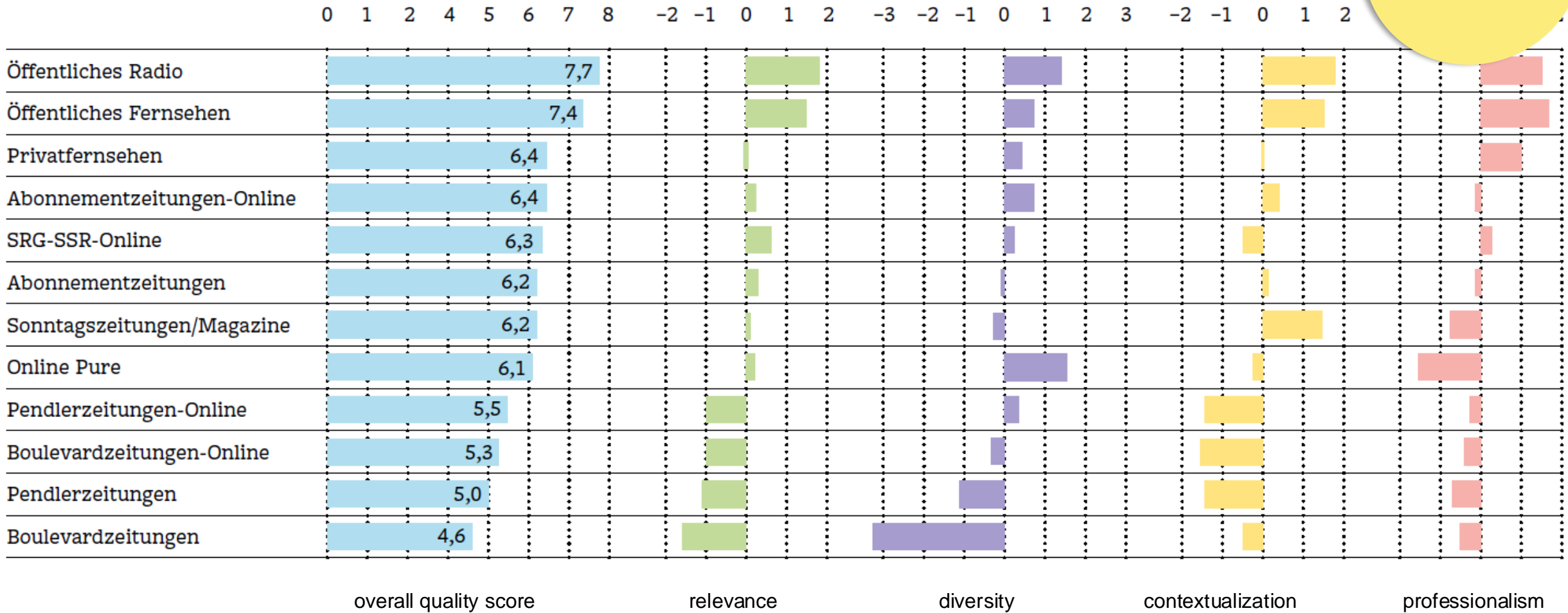
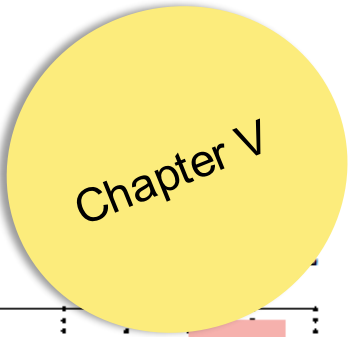
The majority are in favor of compensation for the media by AI providers



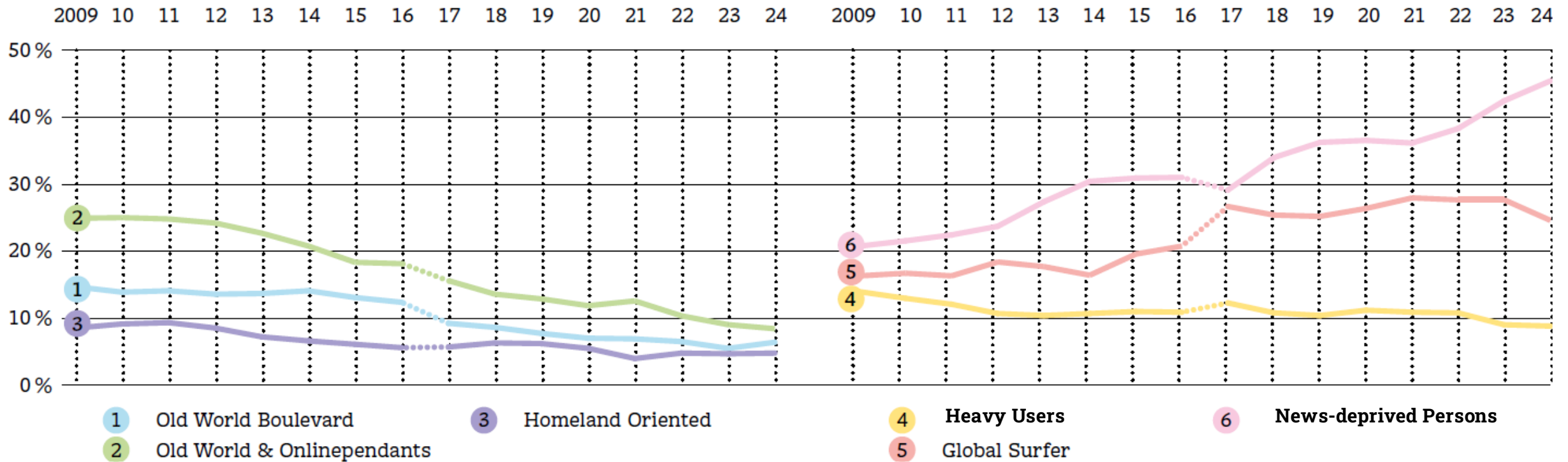
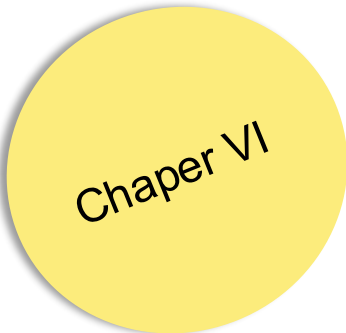
45% are in favor of compensation
by AI providers
28% are against such compensation
27% are undecided

Should AI providers
financially compensate
the providers of journalism
when they use their content?

The overall quality of media types is converging

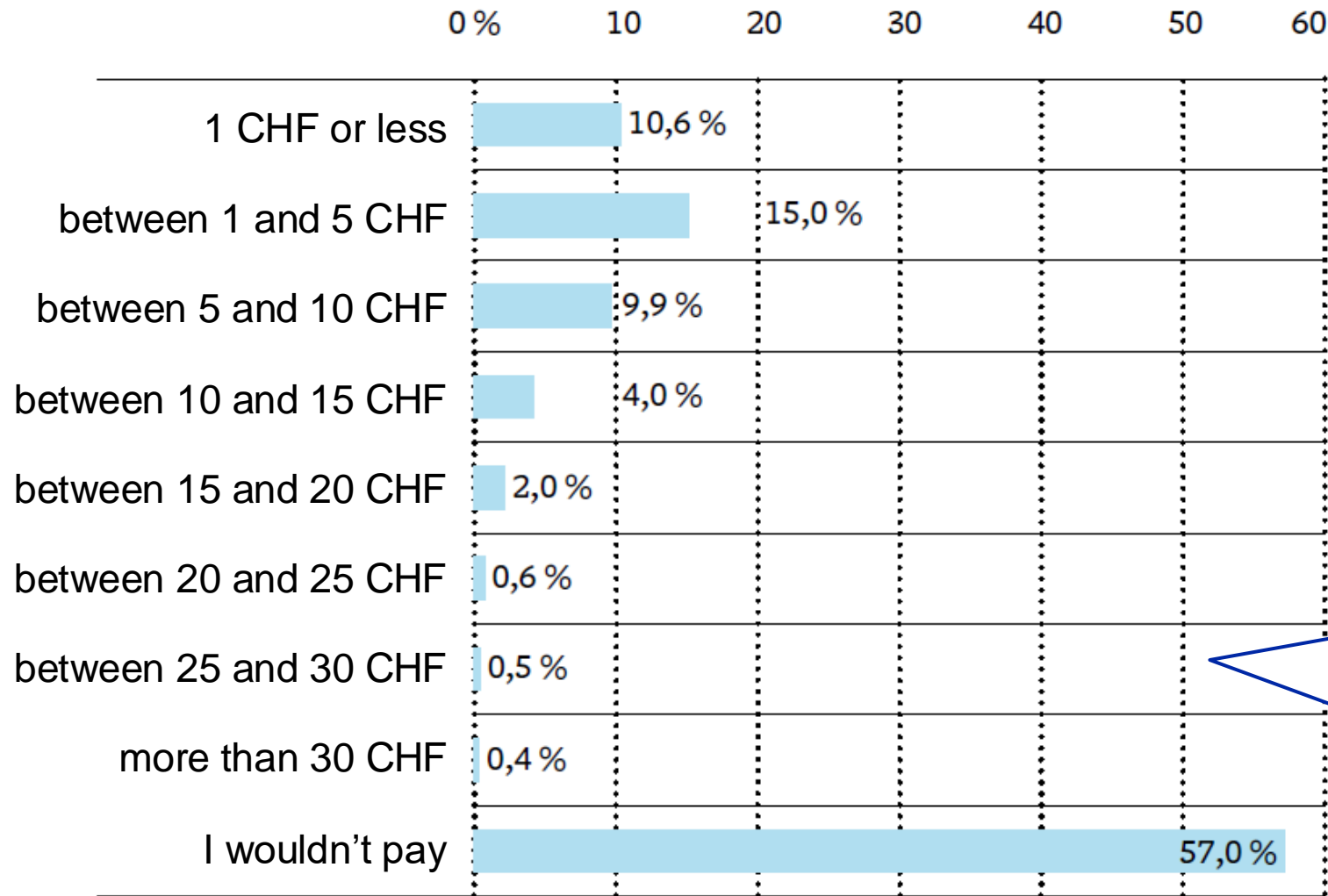


Share of news-deprived rises to 46% in 2024



Data: fög & GfK Switzerland – representative online survey in Switzerland at the beginning of each year. Approx. 3,400 participants from German-, French-, and Italian-speaking Switzerland.

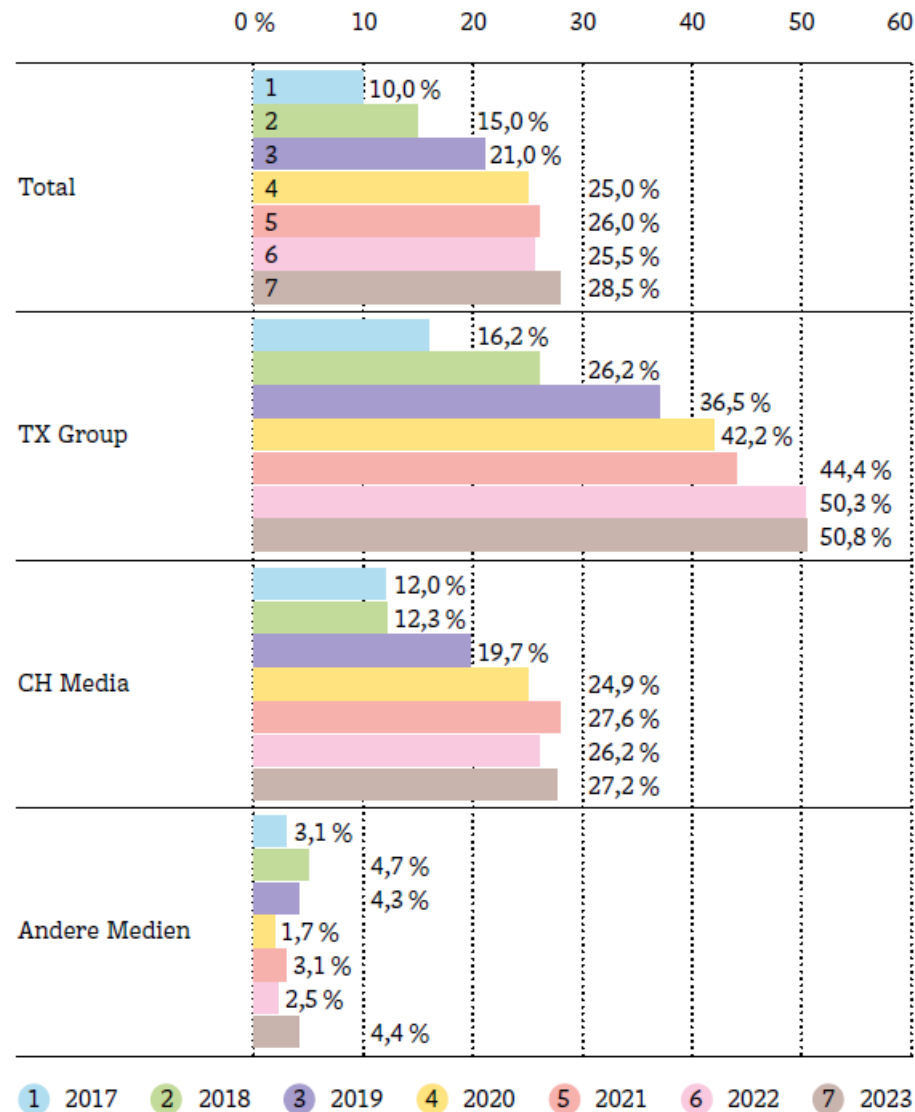
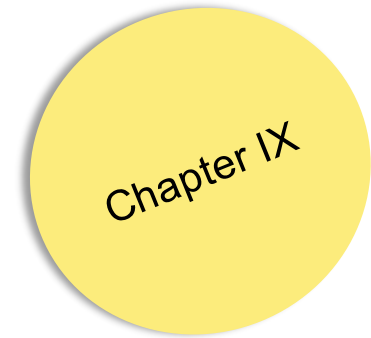
Attracting new subscribers remains difficult



Median price of online subscription
18.- CHF per month

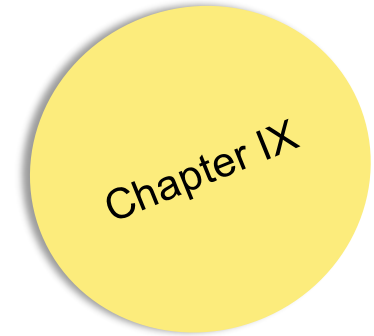
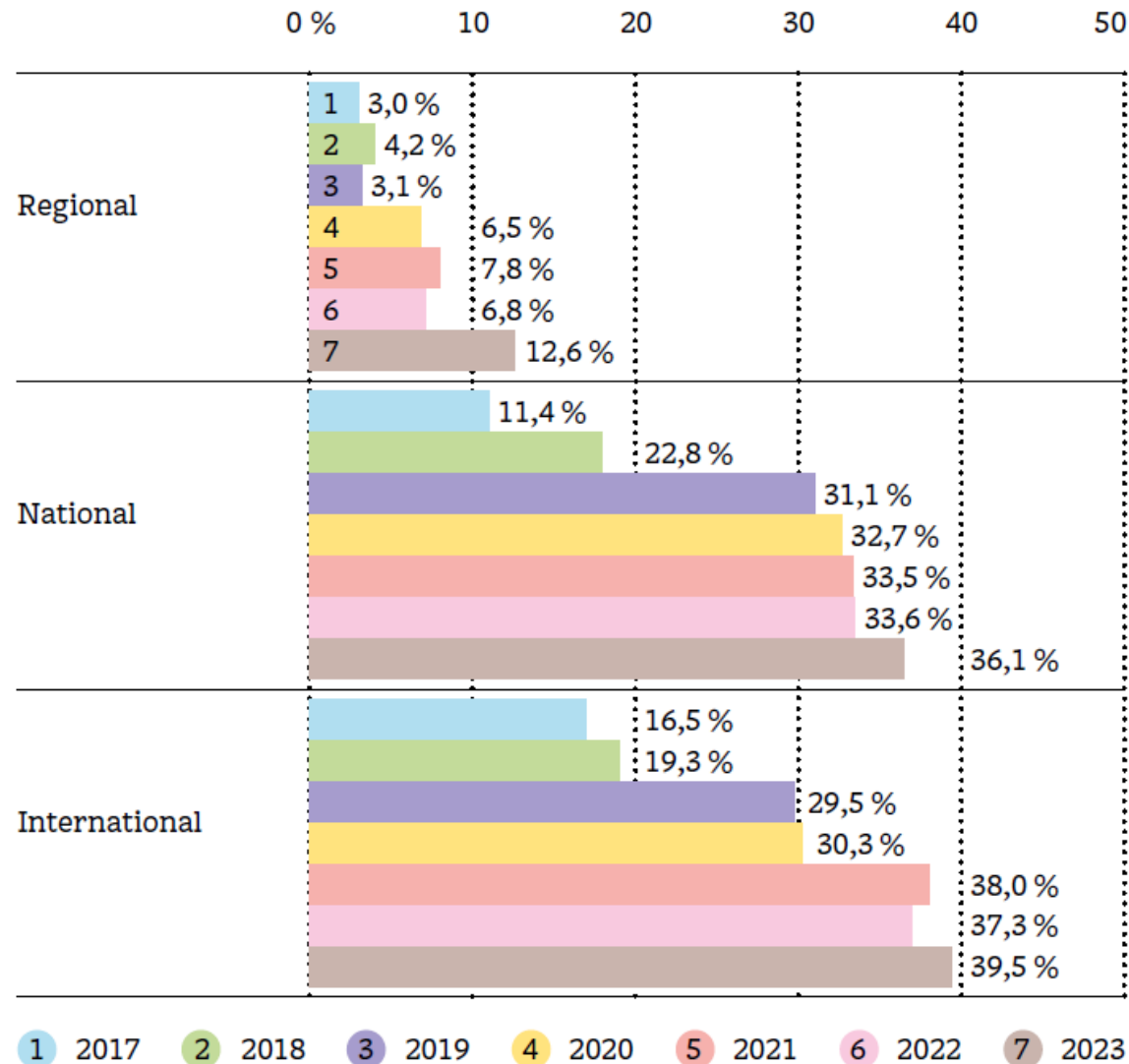
What would be (...) a fair price that you would be willing to pay?

Strong concentration of media content driven by TX Group and CH Media



Data: fög – Automated text comparisons based on the manually coded data set of the quality analysis. 11 newspapers in German-speaking Switzerland, random samples of the total output 2015 to 2023 (n = around 200,000 articles)

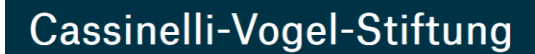
Multiple use of news articles increased by 6% in regional coverage



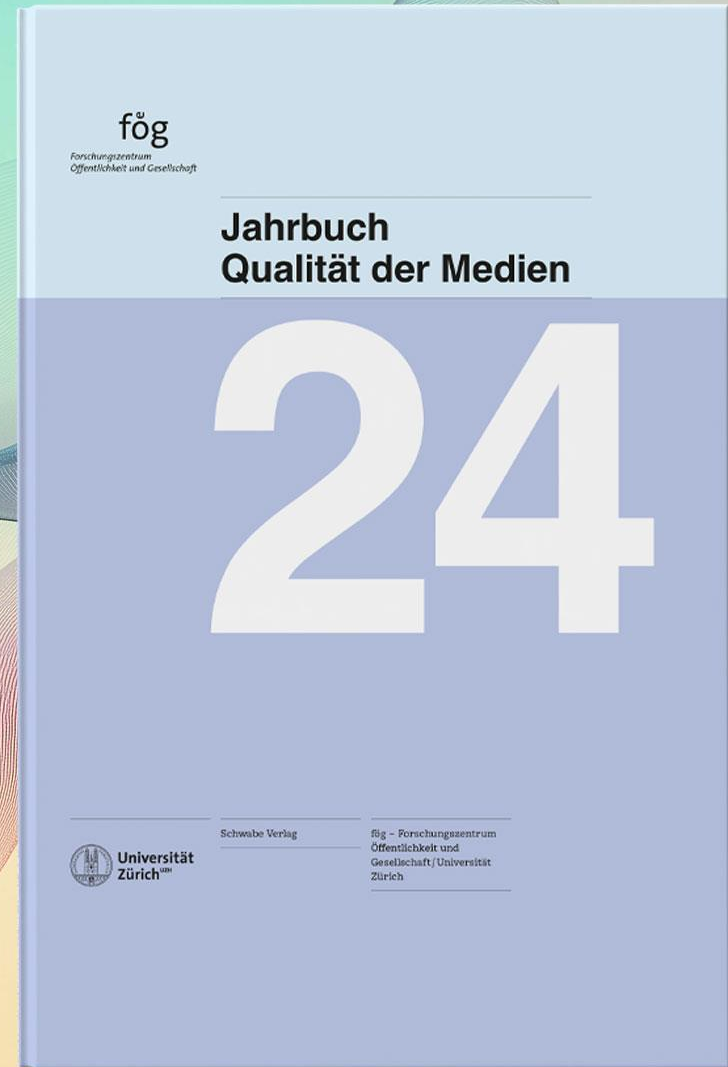
Fazit

- Structural problems of journalism in Switzerland persist
 - Uncertain financing and loss of reach
 - However, the overall quality of the media remains relatively high
 - Loss of diversity is problematic – especially in the regional area
 - No displacement: Platforms and not SRG are private media's biggest competitors
 - Swiss population remains critical of the use of AI in journalism
 - Audiences have high expectations of transparency when media use AI
-
- Stronger cooperation between public and private media
 - More unifying "media patriotism" is needed within and outside the industry
 - More transparency: Detailed disclosure of when and how AI is used
 - Sustainable solution for media financing

Many thanks to our partners!



Questions from the live stream via slido.com, Code: #4097545



Panel discussion



Michael Wanner
CEO CH Media



Nathalie Wappler
Director SRF



Min Li Marti
Member of the
Swiss National
Council



Matthias Müller
Co-President
„Halbierungsinitiative“

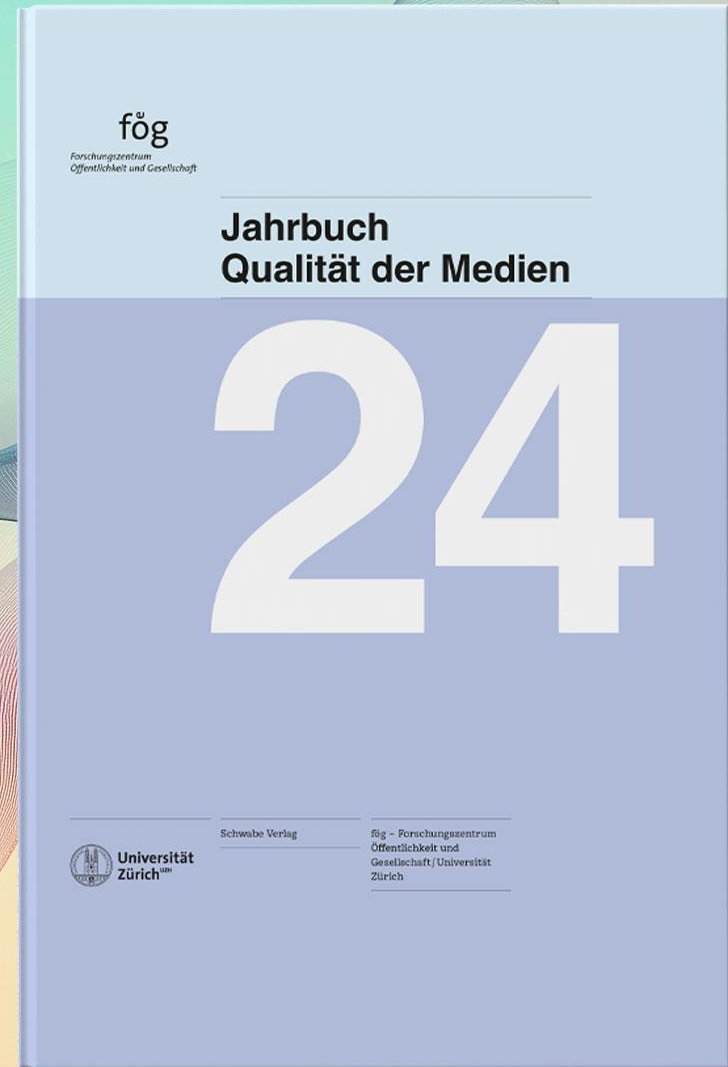


Prof. Dr. Mark
Eisenegger
Director fög



Matthias Ackeret
Editor in Chief
persoenlich.com
(moderation)

Questions from the live stream via slido.com, Code: #4097545



**Thank you for your
attention!**

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