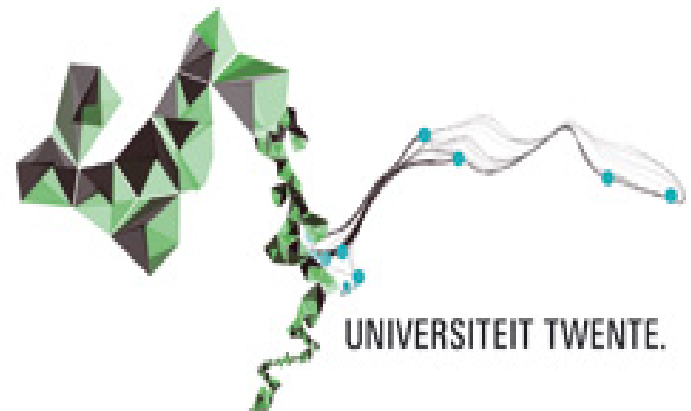


Digitalization in the newspaper industry

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

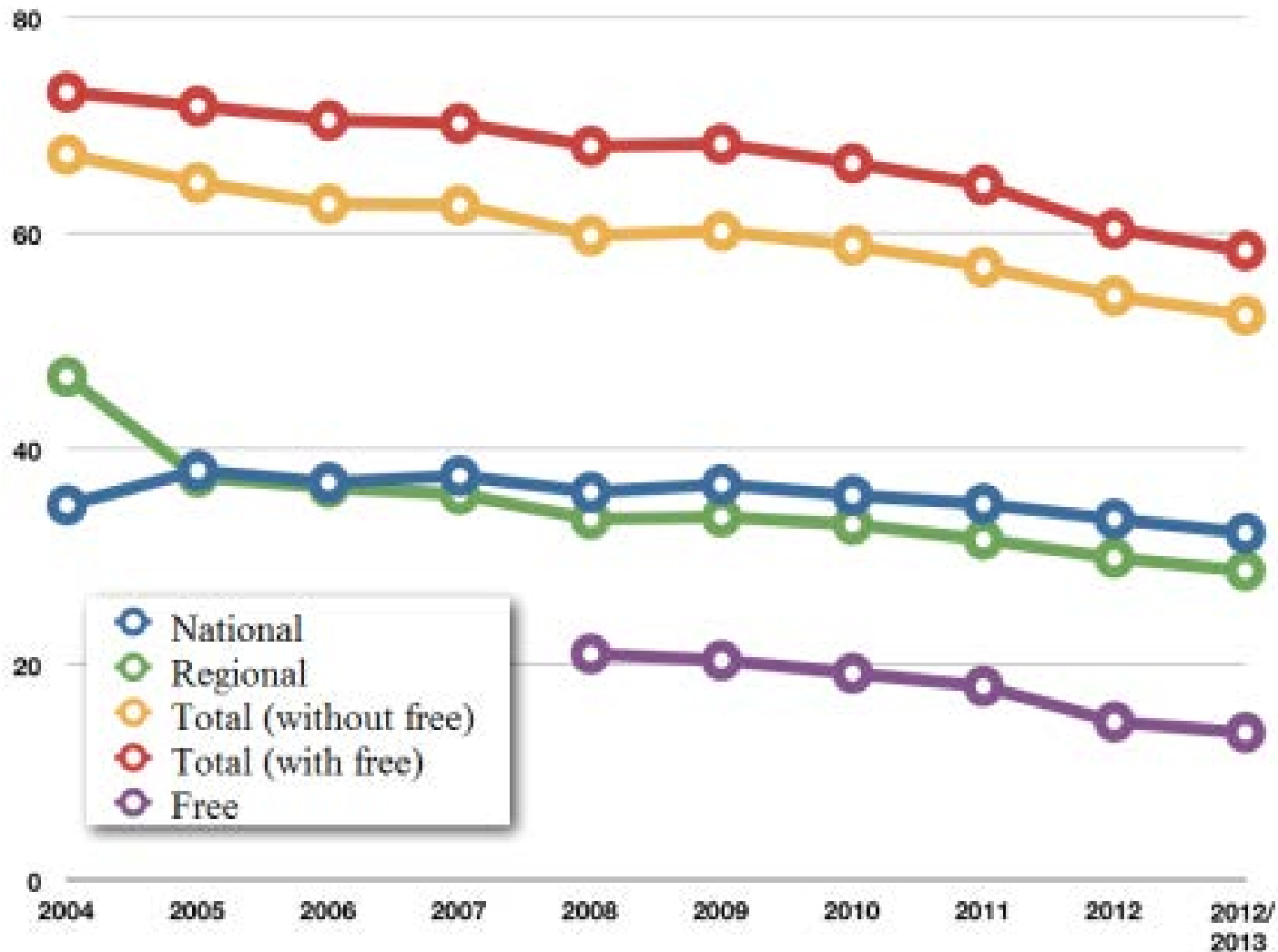
Martijn Suijkerbuijk
Ton Spil
Stockholm, April 2015



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)



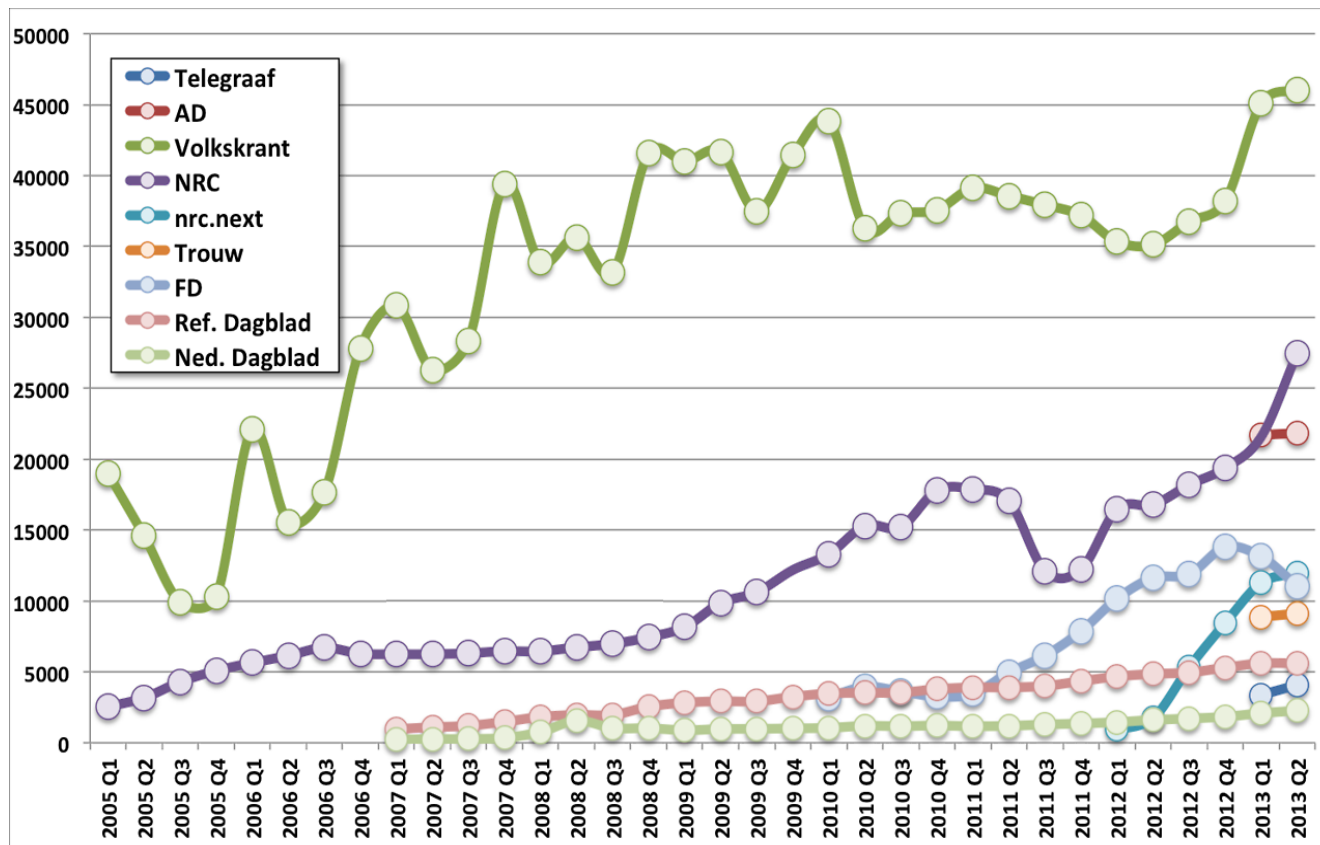
Number of newspaper subscriptions are dropping



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)





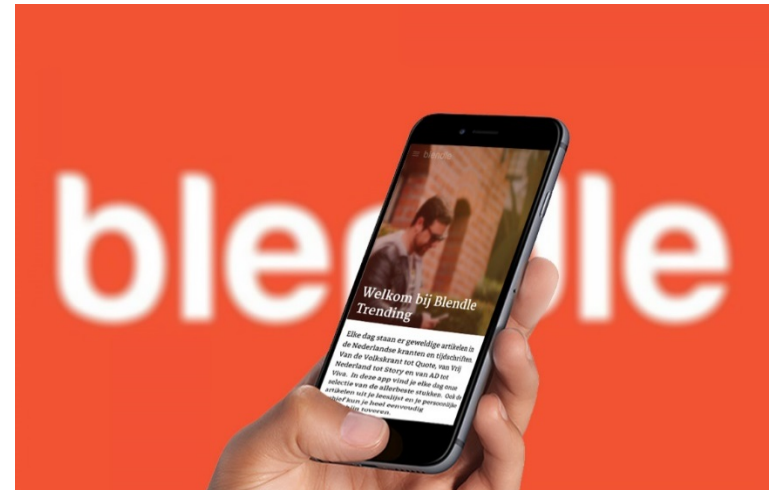
Research methods

e-News

- Literature Review
 - E-newspapers
 - Business models
- Interviews
 - 29 useful interviews
 - Based on PRIMA/USE-IT model (Spil, Michel-Verkerke, 2013)

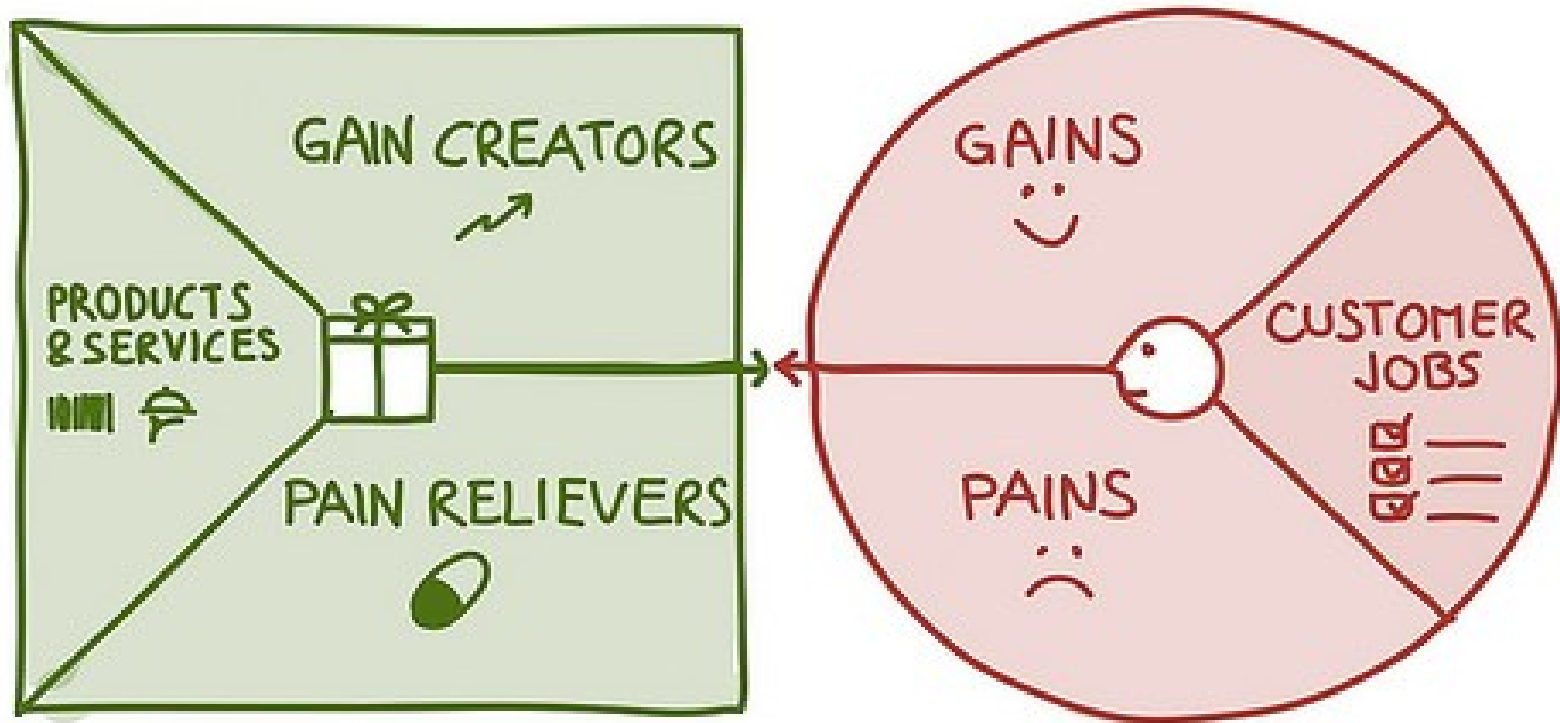
“Successful” initiatives

- Music and video industry: iTunes, Spotify, Netflix
- Central seller: bringing items from different producers to customer
- Newspapers:
 - Blendle
 - Youjournalist
 - Elinea
(streaming)



Business Modeling

Value proposition model



Osterwalder and colleagues (2012)

Value proposition

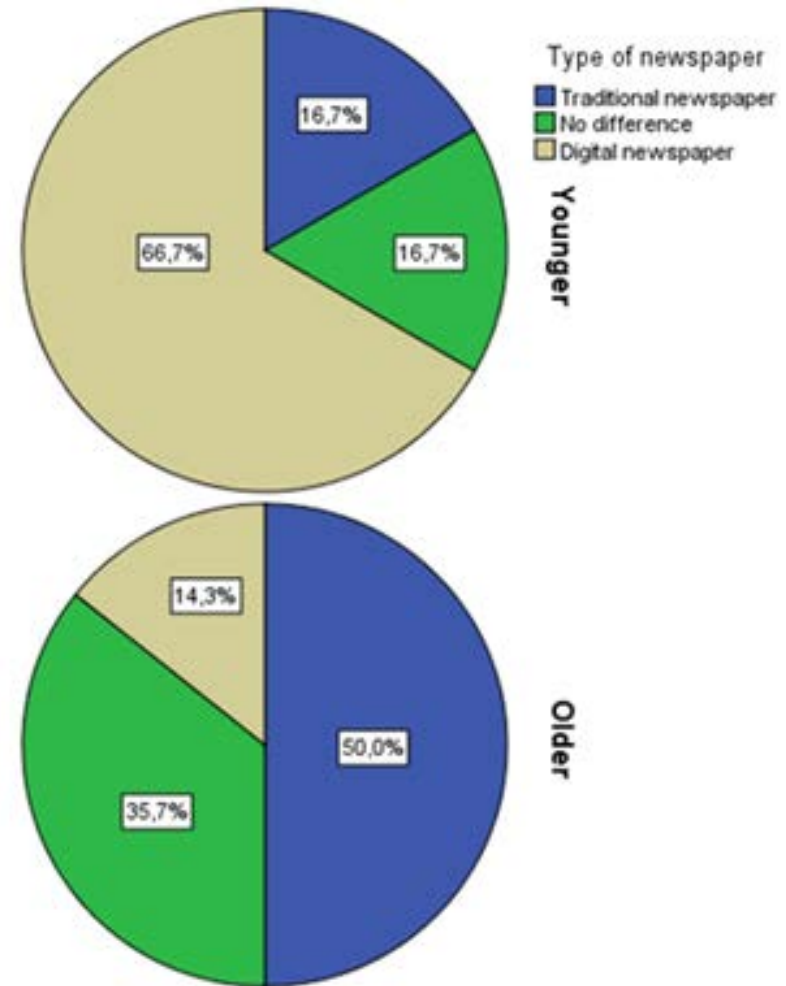
- Socialize (share and discuss) and education
- Bundled or debundled
- Multimedia, hyperlinks
- Ease of use can be problematic:
 - Small screens
 - Internet too slow
 - Different layout
- No nostalgic value
 - Turning pages
 - At breakfast table
 - Cutting out articles

Value
Propositions



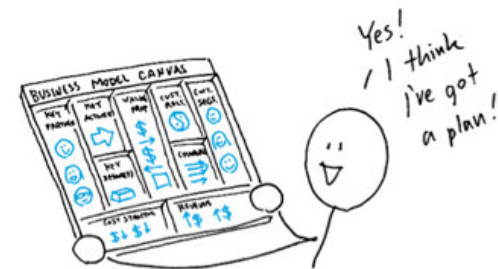
Customer relationship

- 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



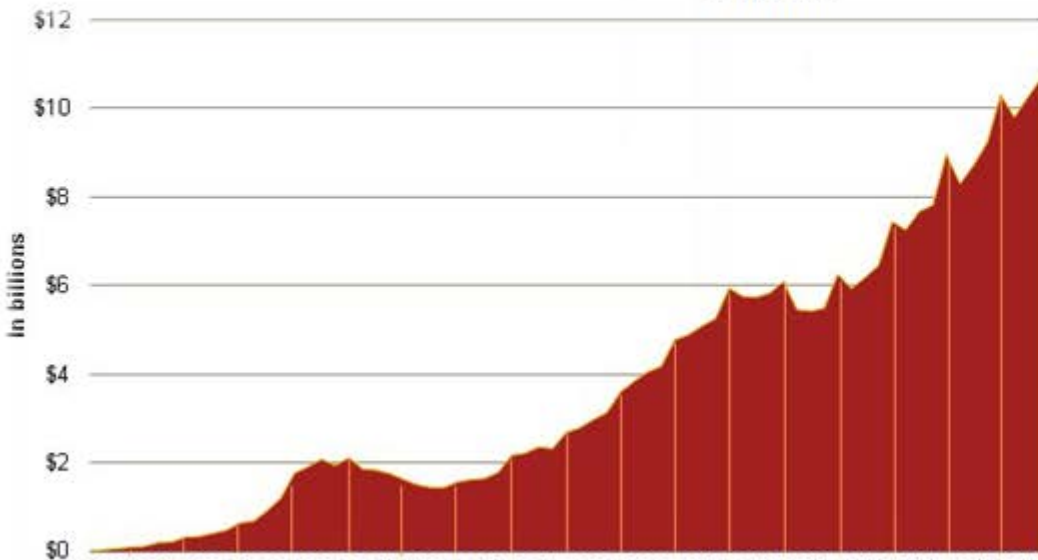
The Business Model Canvas lets us experiment with various plans that enable our IDEA...

Financial aspects

- Little printing/distribution costs
- Still lower advertising income

Average percentage of operating budgets

Revenues	Advertising	65-80%
	Circulation	20-35%
Expenses	Newsprint	15-30%
	Mechanical	13-15%
	Administration	8-12%
	Distribution	9-10%
	Editorial	7-10%
	Advertising	5-6%
	Building and land	1-3%
	Promotion	1-2%



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)



Questions?

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