

# We are very optimistic about the future of paid content

## Nick Blunden plädiert für differenzierte Paid-Content-Modelle

**How do you evaluate the paid content market (publishing market) from an international and national perspective and which potential do you see?**

Given our long-standing global coverage we are very familiar with looking at the paid content market from a local, regional and international perspective. In this context we are very optimistic about the future of paid content while recognising that the market will develop at different speeds and in different ways country by country and region by region. Technology adoption is a big driver of this with huge potential for mobile paid content consumption in developing markets, alongside tablet-based consumption in more developed markets.

**How does "The Economist" face the challenges of paid content and with which strategies?**

We have a multifaceted approach to paid content. Alongside the newsstand and subscription versions of "The Economist" newspaper we have a metered paywall on Economist.com that provides for some free access to our content while encouraging the heaviest users of the site to subscribe. We also provide some limited free content within our iPhone and iPad app while charging for unlimited access to them. It is fundamental to us however that subscribers to "The Economist" newspaper enjoy access to all our content regardless of platform.

**What are the greatest challenges for publishing houses regarding paid content?**

Maintaining a balanced approach is the greatest challenge. It is relatively easy to become entrenched in an extreme position. This however is unlikely to be where your customers want and need you to be. Providing a range of options that address different customer and business needs is more likely to be sustainable.

**From your perspective, which paid business models will work in the future for magazines and which won't?**

A wide range of paid business models will work across the different segments of the media landscape from niche to mainstream. Indeed there will undoubtedly be some to come in the future that we have yet to conceive of. Nevertheless, of the opportunities that currently exist, I am less

negative on micro-payments than most. While I accept that this business model is unlikely to go mainstream any time soon I think it still has potential in some areas, providing the technology continues to evolve.

**Why is it so difficult for publishing houses to adapt themselves from free to paid content?**

Very good question. I think it is partly a cultural issue and partly an operational issue.

Grappling with complex pricing issues can raise cultural issues around commerciality versus creativity while the systems required to support some of the more sophisticated paid content models are challenging to deploy and maintain.

**What is your opinion regarding the paywall approach in comparison to the freemium approach?**

I think that the freemium approach is an important part of the paid content landscape. It provides a degree of flexibility that appeals to patterns of modern consumption and something of an antidote to overwhelming choice. I don't think however that paywall and freemium models are mutually exclusive. They can and often should be part of the same overall pricing strategy.

*Mehr Informationen zu den Expertenforen der VDZ Akademie finden sie unter: [www.vdz-akademie.de](http://www.vdz-akademie.de)*

**Das Interview führte Dr. Bastian Schwithal, Leiter Expertenforen der VDZ Akademie.** ■



Nick Blunden, „The Economist Online“, spricht auf dem Expertenforum „Paid Content und Paid Services 2011!“ am 11. Mai in Hamburg.