

## **Micropayments in Media boost broader Thinking of Media Business.**

How can media benefit from micropayments? Is it the needed boost for the business? What content suits for micropayments? At what price? Has anyone succeeded?

The year 2018 was exciting regarding micropayments in the media because the interest towards it has increased. The study "***Micropayments in Media***" aims at provoking thinking and boosting the discussion. There is a strong need for conventional media to broaden its thinking. Much various content suit to be sold as single stories. Both traditional media content and still unthinkable products. In traditional media, locality is a definite asset.

According to the study, three essential components should be fulfilled to make customers buy a single media: 1) **content is unique** 2) **content is "hot" for the reader** 3) **paying is smooth.**

We have based the study on user interviews, user behavior and analysis, expert interviews and written material on the topic. It includes examples of different outcomes both in Finland and abroad: Winnipeg Free Press (Canada), Ekspress Grupp (Estonia) and Pressdoor (Finland).

Micropayment models are not rejected anymore because they do not "save" the media business. Micropayments can support marketing and subscriptions and also serve in many other ways as a single source amongst many income streams. The new, broader way of thinking and offering new buying opportunities feeds the people's appetite to buy separate stories and other products.

The price for a single story does not determine the buy. However, the study shows that certain thresholds affect consumer behavior. The lowest one is **one euro**.

**The pricing is also a strategic decision.** E.g., Ekspress Grupp in Estonia has noticed that with the price of 2,99€ sales are more profitable in the short term. In the long run, this brings less new users to pay. Another strategy would be to keep the lower price for the first 3-4 years and get the users used to the service and content.

The most efficient way to define the suitable content and a reasonable price for it is a **broad-based co-operation**. Both sales, business operations and editorial staff should be involved. The benefits are in the most suitable content and motivating the journalists to engage in this concept.

Based on the study we also created a model of micropayments in media which media can use as a tool when they define their business model around micropayments. There are factors from three different levels on which the companies can create a positive environment for the micropayment purchases: 1) consumer 2) publisher 3) media environment.

### ***About the authors:***

***Marja Heinonen, D.Soc.Sc., Coach, Writer (the lead writer of this study), is an active writer and coach/consultant for media companies. She is also an author of several books.***

***Contact: marja.heinonen@ilonam.com***

***Markku Hurmeranta, Ph.D., Publisher, Editor-in-Chief has an extensive career in Finnish media.***

***Contact: markku.hurmeranta@fokusmedia.fi***