

Public Abstract

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Graduation Term:FS 2017

Department:Journalism

Degree:MA

Title:A STUDY OF LEGACY U.S. NEWSPAPERS' DIGITAL SUBSCRIPTION PRICES

Disruptive innovation of the newspaper industry is forcing publishers to reconsider reader revenue models as, on the whole, print subscription rates continue to fall and digital advertising revenue rates fail to pick up the slack. This presents a business challenge on several fronts, including that reduced revenues precipitate labor cost reductions. Over the past decade, that has meant newsroom-wide staff layoffs.

This study examines prices of digital content subscriptions at 100 legacy regional newspapers across the United States. The purposive sample comprises websites of newspapers from 41 states and Washington, D.C. Prices were recorded from the sites' subscription webpages and analyzed with other variables such as market area, print circulation and parent company. The standardized weekly price of digital access for the 100 sites ranged from \$0.46 to \$7.85. The median digital subscription price was \$2.31 per week. Market area and print circulation were shown to not have a direct correlation with digital subscription price. In some cases, parent company had a direct effect on subscription price, as prices were standardized across the companies' local properties. In a survey, producers said market testing and ownership mandates were the most important considerations when setting price, followed by industry norms, then competitor prices.

Keywords: digital subscription, paywall, pricing, reader revenue, subscriber revenue