

Types of paywalls in Slovak online media

Alexandra Mathiasová

Abstract

Much of the online media hides their content behind systems which force or motivate recipients to buy and activate membership. We call this system simply paywall, but there are a few ways it can work. From the beginning of 2021 to the end of September, we have been looking at how chosen Slovak online media work with their subscriptions, what discounts and promotions they provide to recipients, how often they publish journalistic speeches without hiding behind the obligation to pay, and what percentage of material they publish for all readers and how much is hidden behind the paywall. The paper examines Slovak online media and different paywall models, and also at approaches to sharing and hiding content. Also it shows, if the willingness of recipients to pay for media content is growing or decreasing in Slovakia, how many of the content chosen media show to all readers, and the conclusion says, if it's possible at Slovak media market operate a news website with hard paywall model.

Keywords

Journalism, online media, paywall, subscription

JEL Classification

L82

Introduction

Paywalls are one of the now standard methods of funding media around the world. It is not news that publishers hide their copyrighted content behind payment obligations in order to finance the running of their editorial offices, pay the salaries of their editors and protect their content from free and uncontrolled dissemination. This does not apply to all media, of course, because we still see a number of online journalism portals that provide their content for free and only receive funding through advertising revenue.

The coronavirus pandemic has transferred some of the recipients to the online space (Višňovský, Radošínská, 2021). Logically, since many of them had to stay cooped up in their homes, we can assume that in order to stay informed about the situation, they used online news

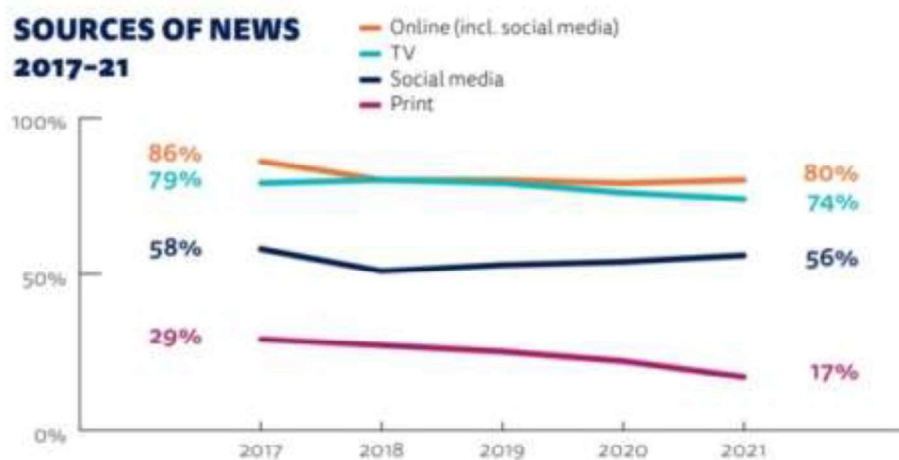
outlets to do so. Just what if they stumbled upon subscription-based content? The data shows that multiple web-based journalism platforms grew with respect to subscribers. For example, with 7.5 million subscribers, The New York Times currently tops the list of news sites in the number of active subscribers. 2020 has been a particularly strong year for publishers - by the third quarter of 2020, they were able to generate the same amount of financial revenue from digital subscriptions as they did for all of 2019 (Ang, 2021). R. Howard's statement that "paywalls may make a profit, but they also accelerate a newspaper's nightmare scenario - that readers will leave the site - try the free stuff and leave," (Howard, 2021) is not even partially borne out in this case. However, it is important to keep in mind that the New York Times is a very strong brand and conclusions and assumptions can't quite be drawn from their success. Broadly - the aim of this paper is to look at the domestic market, to explain how Slovak online portals approach publishing and how they try to retain readers and subscribers at the same time. The main aim is to find out whether it is possible to operate a media portal on the Slovak market - media portal, which will allow reading the content only by active subscribers. The partial aim is to find out whether the willingness of recipients to pay for media content is growing or decreasing in Slovakia, and to find out whether young subscribers are also willing to pay for the media content. The author finds out whether media companies provide, occasionally, a cheaper subscription, and also how much of the content is visible for all users and how much is only for active subscribers. Based on the data collected by own research, the author's aims is to state, whether the medium is able to inspire recipients to buy subscription, if shows without subscription only a minimum per cent of the article, or, vice versa, if publishes a substantial part of it.

1 Subscribers and paywall types

Over the year, 12% of Slovaks were willing to pay for news, which is a significant increase compared to eight percent in 2019 (Newman a kol., 2020). This year, 2021, 13% of the Slovak population will subscribe to news, so the percentage curve has risen slightly upwards. The most frequent recipients read content on the platforms aktuality.sk, topky.sk, tvnoviny.sk, sme.sk and ta3.com. However, as Reuters Institute research notes, even though subscription systems and media club memberships have become a permanent and accepted media model, not all recipients are still willing to pay for content, leaving a wealth of quality journalistic content behind paywalls. "Overall progress remains slow. Across 20 countries where publishers have been actively pushing digital subscriptions, and that we have been tracking since 2016, we find 17% saying that they have paid for some kind of online news in the last year (via subscription,

donation, or one-off payment). That's up by two percentage points in the last year and up five since 2016 (12%)."(Newman a kol., 2021). The perspectives applied by the media economy (in all its forms) are, without any question, a very complex way of reflecting on media industries. Besides underlining the urgent need to reassess existing views on the economic aspects of the media business, the media economy also reacts to the development tendencies that shape how media audiences think, respond to various stimuli, exchange their experience and decide what to watch, read or play (Radošínská, Kvetanová, Višňovský, 2020).

Figure no. 1: Slovaks still consider online news to be their most common source of information



Source: NEWMAN, N. a kol.: *Reuters Institute Digital New Report 2021*. Oxford: University of Oxford, 2021. [online]. [cit. 13. 10. 2021]. p. 101. Available at: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2021-06/Digital_News_Report_2021_FINAL.pdf.

If we talk about media subscriptions, there exist several types of paywalls:

- Measurement model

Online media that use a measurement model may or may not require users to register. They then record the number of articles opened by the recipient, which can be read in full by that user. If they exceed the limit of free articles, they must pay a subscription fee. The limit on the number of open sessions is usually set on a daily or monthly basis.

- "Freemium" or premium model

This monetization model follows from the essence of the name, it was created by merging the words "free" and "premium". In this case, some of the texts are free of charge, which means that they are mainly agency news, short reports, news, etc., which are usually fully accessible to all users. Revised reports, extended reports, commentaries and more are already part of the subscription. Recipients are required to set up an account and then pay a monthly, semi-annual, annual, or biannual subscription fee.

- Hard paywall

The full-payment model, or hard paywall, means that the user must have an active subscription in order to read a significant majority of the articles, of which only a few opening lines are freely available. At the same time, the online portal often features exclusive content, extensive reports that a reader would look for in vain on other portals (Whitehead a kol., 2018).

In addition, news portals also use other types of charging for their content, such as an advertising paywall, where recipients have to view a video before receiving the content, or a full-screen advertisement is displayed when the article is opened. However, they can also use crowdfunding, which is classified as a voluntary paywall, in which case it involves collecting funds from a large number of voluntary donors.

2 Forms of paywalls in Slovak online media

We have chosen a sample of Slovak online media for our research, which differ in some ways at first glance. The selected sample consisted of four media, namely, dennikn.sk, hnonline.sk, refresher.sk and sme.sk. Each of them uses a specific content charging model, while also differing in terms of the target group. While dennikn.sk and sme.sk target a similar audience, i.e. adult readers with purchasing power, and are opinion-forming online portals, hnonline.sk focuses on business, management and economics. Refresher.sk targets a young recipient, the student, but it also actively uses a paywall and is therefore an interesting diversification in the issue of examining subscriptions.

From the beginning of 2021 to the end of September, we have been looking at how these media outlets work with their subscriptions, what discounts and promotions they provide to

recipients, how often they publish journalistic speeches without hiding behind the obligation to pay, and what percentage of material they publish for all readers and how much is hidden behind the paywall. We also looked at how they tried to motivate recipients to pay their subscription and unlock the text.

2.1 Denník SME

The first Slovak daily newspaper to register its Internet domain was Denník SME in 1994, and it has been operating with news content since 1996 (Petit Press, 2020). Sme.sk made the first unsuccessful attempts to hide the content on the web in the era before Piano. But when Piano Media came and the national paywall was launched, Sme.sk was the most successful in it - Piano had higher sales than the others (Krasko, 2021). Piano Media was a premium-content payment service for newspapers, TV stations and other online services jointly operated by Etarget, a provider of online advertising, and NextBig, a Prague-based new media consultancy company (Terenzani, 2021). David Brauchli, chief Communications Officer at Piano Media said: „People pay one price to access all media rather than having people pay one media and only getting access to one“ (Keane, 2021). Piano brought together the websites Sme.sk, Pravda.sk, Pluska.sk, tyzden.sk, HNOnline.sk and Trend.sk. It worked easily. Readers only supported the media they wanted. The media website on which the payment was made automatically earned 40%, with another 30% distributed among the media according to the time the user spends on them. The rest, ie 30%, was taken by Piano to operate the system (Mrvová, 2021). Piano Media expanded into several other European countries. The national paywall, but ended at the turn of 2016 and 2017, because publishers did not have full control over the system. Sme.sk switched to its own system and now use a freemium paywall model. In September 2021 Sme.sk had 54 thousand of digital subscribers, but the highest number was in March 2021 - there were more than 56 thousand of subscribers (September 2020 – 51,5 thousand, September 2019 – 37 thousand) (Tvrdoň, 2021). A significant part of the freely accessible texts are originally agency news and it is the author's texts that are predominantly labelled as premium. However, these are popular with readers, as the homepage of the opinion-forming daily also features several premium articles among the most read.

Currently, Denník SME offers a four-week subscription (€4), an annual subscription (€39.90) and a two-year subscription (€69.90). The portal also offers a Premium version, which also offers access to the archives of printed versions of Denník SME, MY, free downloads of hundreds of e-books and access to premium content on Blog.SME.sk. There, the price for 4 weeks is €6, for a year €49.90 and for two years €89.90. The Premium version without

advertising, i.e. the version where no ads appear, is as a four-week subscription (€8), a yearly subscription (€59.90) and a two-year subscription (€99.90).

In 9 months, the daily SME published a total of 8,031 texts in the section called Home, of which 1,193 were locked for subscribers. The free texts are taken from the agency's coverage of the Press Agency of the Slovak Republic or from the Slovak Press Agency.

Table no. 1: Number of articles published on the sme.sk portal in the Home section

	January	February	March	April	May	June	July	August	September
All	1046	942	975	835	886	936	760	781	870
Of which are hidden	161	167	162	117	126	144	123	90	103

Source: own research

On average, this figure shows that the average amount of copyrighted and therefore paywall-locked content is almost 15 per cent. The rest is agency news. In the home section, this ratio is much lower because the portal reports a higher amount of agency news and less written by local authors. On some days, the total number of news articles in the World section is well over 80, with an average of 30 articles per day for home news, of which 4 are hidden. Of course, it must be taken into account that not all authors publish the same on all days. We register a higher number of texts, both agency and author, during weekdays. On Fridays, the intensity decreases; finally, Saturdays tend to have the fewest texts, often around 10. On Sundays the situation is similar, but the number of texts is slightly increased. On Saturdays, authors often publish no texts hidden behind the paywall, or at most 1-2 texts; on the contrary, during the week there are sometimes as many as 7 texts. A sharp difference is observed in the Comments section, where there are 5-10 author texts per day, all of which are hidden behind the obligation to activate a subscription. The Culture section lists 4-5 texts a day, with interviews and authorial material again hidden, but agency information on deaths or anniversaries of artists is fully available.

Table no. 2: Average number of articles published daily in the Home section

(rounded to the nearest whole number)	January	February	March	April	May	June	July	August	September
Messages per day	34	33	32	28	29	31	25	25	29
Of which are hidden	5	6	5	4	4	5	4	3	3

Source: own research

In the case of hidden texts, the SME daily used a method where a short part was visible to all readers, but the rest was hidden behind the obligation to log in. On average, 15 percent of the text was visible to unregistered recipients. However, this varied from 10 per cent of the generally visible text, to 28 per cent, so generalisation in this case is very bold. As for the photographic material, only the cover photo is published, or a preview of the generally available material - for example, a printscreen of the respondent's social network - is freely available in the text. Other author photos or videos are hidden in the text. The text, in case the ad-free subscription version is not activated, is surrounded by advertisements and the articles are interrupted by advertisements. Subscribers also have access to a mobile app, if they have purchased a subscription, which replicates the website in content, offers an overview of the latest and most read news, sends alerts and allows readers to join in the discussion.

2.2 Refresher

The Refresher youth portal was created in 2011 as a graduation project. Initially, it started adding articles about fashion and rap to its domain, later it established itself in the media world and today it brings news not only from the world of fashion and music, but also from the field of cinema and technology, not forgetting news from home and the world. Today, the portal offers three types of subscription packages, without which recipients will not see all of the exclusive content. The Refresher had in April 2020 5 thousand subscribers (Struhárik, 2021). The Light package for €2.99 per month offers access to six locked articles. The Standard package for €4.99 per month provides unlimited access to locked articles as well as access to benefits. In addition, the Premium package for €5.99 per month offers an ad-free website and sharing articles with friends. Students can get unlimited access to articles for €1.99 per month. Readers can also open a single article for €3.50. During the year, we have seen action aimed at reducing the subscription price already in February. It is evident from this type of action that

the medium tries to communicate mainly with the young recipient, as it has chosen to offer a 69% discount to the annual subscription on Valentine's Day, i.e. on February 14.

The Refresher publishes an average of 20 reports a day that capture current events. These reports are freely available, they provide the same information as other portals, as the source is mostly the Slovak police's Facebook page, etc. In these reports, when the page is first opened, only the perex is shown, the first two paragraphs are fully legible, the third is fainter in colour and is followed by a click-through with the text 'load free'. Below this notice is the subscription information, but the messages are fully accessible when the notice is clicked. The portal also published 740 premium messages in nine months, an average of 82 per month and less than three per day. These are predominantly interviews, analysis or product testing with resulting reviews. For premium content, however, the medium does not just publish the first two paragraphs, but most of the text. On average, this is 33 per cent; but the range is between 14 and 55. In addition to the perex, each premium material starts with a short summary in which the editorial team informs the recipient about what they will learn in the text and offers some brief information about the content. Looking at the photographic material, the editors publish two to three photographs from the text, which often contains 5-10 images. Subscribers have the option to download the app, which features the text in the same way as the web view. Also, the app sends notifications.

2.3 Denník N

The Slovak, initially online-only, Denník N was founded in 2014 by a group of people who left Denník Sme after Penta entered the ownership structures. From the beginning, Denník N has mainly funded subscriptions, and it has operated with a full-payment model. Interestingly, just this year the medium has seen a record number of subscribers, up to 68 thousand subscribers (In 2020 – 60 thousand, in 2019 – 44 thousand), with over 1.7 million people visiting the site in January and March.

The Mini package provides a web subscription to Denník N for €4.99 per month (€53.88 per year) In addition, recipients can add a daily delivery of the print edition of Denník N for €7 per month, or a weekend edition every Friday for €2. In addition, the Standard package for €6.99 per month (€75.90 per year + the same option to buy print editions as the Mini package) offers access to the economical Daily E, less advertising, an archive of all editions and apps for mobile and tablet. Finally, the Club N package for €8.99 per month (€97 per year + the same option to buy print editions as the Mini package) also provides the option to unlock content for

friends, also a printed N magazine once a month in the mailbox, a completely ad-free website, free priority access to live discussions.

Since the beginning of the year, we have seen activity offering a 1+1 annual subscription to the daily newspaper, i.e. a year of free subscription. This was an activity called A Year with Pandemic, and the promotion lasted for 24 hours on 5 March. In addition, the medium organised discussions in various Slovak cities, where visitors had the opportunity to receive a year's subscription to Denník N for €1. The medium sent an e-mail to registered readers with information about the discounts. The Standard subscription was offered for the price of the basic Mini subscription. Compared to the full price, readers could save from 2 to 60 euros, depending on the length of the subscription chosen.

In 9 months Dennikn.sk published 1149 articles in the World section and 3169 articles in the Slovakia section. However, it should be noted that some texts are included in both categories at the same time. However, 1369 comments were published on the website. All materials are fully available to subscribers only. The portal precedes some of the texts with a teaser for the recipients, informing them about what they will read in the article, which should motivate them to buy a subscription. However, this is not the rule, nor is it the case that only the first two paragraphs would be published. On the one hand, this is a frequently used practice; on the other hand, texts are also published with a different percentage of opening the text versus hiding behind a paywall.

2.4 Hospodárske noviny

This economic newspaper operates in online form on the domain hnonline.sk, and in 2014 it withdrew from the Piano service. They currently use a paywall model, where most articles are made available to recipients free of charge, but premium content is hidden, only available to subscribers. In 2019, hnonline.sk had around two thousand online subscribers, but in 2020 this number rose to about 6 thousand (Struhárik, 2021). HNonline.sk offers several types of subscriptions, and recipients can choose which package they want to use. In the Basic package, for €5.90 per month (€15.90 quarterly, €29.90 semi-annually, €59.90 annually), they get access to three premium articles on HNonline.sk, and they can browse the web and videos without advertising. The Digital package offers for €8.90 per month (€25.90 quarterly, €51.90 semi-annually, €99.90 annually) unlocking of all articles on the portal, a daily overview of articles sent to the e-mail inbox, digital content of the titles Strategy, Topic, Magical Slovakia, HN Magazine and access to HN premium sections, as well as the web and videos without advertising. The Digital Premium package for €24.08 per month (€72.25 quarterly, €144.50

semi-annually, €289 annually) offers, in addition to the items mentioned in the Premium package, a digital edition of *Hospodárske Noviny*, contract templates and a newspaper in the mailbox.

The reason why we mention this medium is that during the year it communicated many offers to make the purchase of a subscription more advantageous. For example, it was a 3-month subscription for €9.90 in January, and a 2-month subscription for €9.90 a month later. Then the portal offered a 6-month subscription at a 37% discount, so access to all of HNonline's digital content was €31. In May, the next activity was the Digital at Basic price service, where users could access the entire HNonline digital content for a full month for €5.90. Yet in the same month, the medium communicated a special offer, where it offered a subscription for 2 months for €4.90. Before the summer, the current promotion was for a 3-month subscription, for which users received a novelty book as a gift. The summer promotion offered a 3-month subscription at a 35% discount. Also during the summer came the opportunity to buy a 1-year subscription and receive the book *Presidents of a Divided America* as a gift. Starting in the second half of August, users could unlock all HNonline content for €19.90 for the rest of the year. They could get access to the entire digital content of HNonline, but also to the titles *Strategies*, *Topic*, *Magical Slovakia*, they received access to premium sections on HNonline.sk, a daily overview of the best articles by email, and finally the web and videos without advertising. In the autumn, the portal also offered access to HNonline.sk in the Digital version for two months for the price of one for €8,90.

Since the beginning of the year, hnonline.sk has published 4017 premium articles. On average, 15-25 percent of the text is displayed to all readers, even those without a subscription, depending on the topic. The rest of the article remains hidden behind the paywall. If the medium publishes standard news or commentary, it publishes one photo. If it is about tests, it publishes an average of two.

Conclusion

Despite the fact that the word paywall seems to be a uniform form of hiding media content behind the necessity of payment, the opposite is true. Behind this term there are many ways, approaches and benefits. Every publisher tries to attract its readers and provide them with adequate content in return for their payment, thus not only motivating the recipient to buy, but also retaining them as a loyal customer. While some publishers (see sme.sk) reach for a model where the larger part of the content (press releases, content available on other portals) is fully available, but the percentage of less represented author material is hidden behind the payment

obligation, others have the entire content hidden (dennikn.sk). We have an example of active marketing activity in the case of hnonline.sk and an effort to allow readers not to be bound by membership, but to finish reading just one text (refresher.sk). We can see from this that there is a broader range of models of paywalls that can help a publisher fund operation while maintaining an internally set quality level. Based on the Reuters Institute research, we can say that the willingness to pay for content on the Slovak market is growing very slightly, but information on the number of subscribers to media says that these numbers are growing more significantly. The years 2020 and 2021 were a time, when the number of digital subscribers multiplied. Not only older users, who may be used to pay for newspapers, pay for the content, but also young people. Thousands of subscribers pay for the youth media portal (refresher.sk). Weaker players in particular offer discounts to motivate readers to pay. Interestingly, it is enough to show a small part of the text - two paragraphs - and readers will pay to read the rest (dennikn.sk). We can say that the strongest player, in the number of digital subscribers, shows the least of its content. Based on this, we can state that the hard paywall model really works and it is possible to operate it in the long run. Since the strongest dennikn.sk has a subscription price approximately the same as the competition, readers must be motivated to pay for content and its quality.

The final recommendation is to continue the research, because the paywalls provide a number of directions that a researcher can take. It is still possible to examine how the number of subscribers is growing and whether media companies are changing their offers. Each of these portals is a separate research inspiration. An interesting continuation of the research would be a comparison of the two strongest subjects, ie dennikn.sk and sme.sk, even with regard to the number of editors and the reach and interaction on social networks. The next step in research may also be converting the number of subscribers into the company's revenue and profits.

Dedication

The study was elaborated within a research project supported by the Research Support Fund of the University of SS. Cyril and Methodius in Trnava No. FPPV-28-2021, titled *Types of Using Paywalls in Slovak Online Media*.

References

- [1] ANG, Carmen. *These are the most popular paid subscription news websites*. [online]. [cit. 12. 6. 2021]. Available at: <https://www.weforum.org/agenda/2021/04/ranked-paid-subscription-news-websites-nyt-washing-post-wsj/>

- [2] HOWARD, Rob. *Three reasons why journalism paywalls still don't work*. [online]. [cit. 1. 10. 2021]. Available at: <https://qz.com/1173033/the-psychology-behind-why-journalism-paywalls-still-dont-work/>
- [3] KEANE, Jonathan. *Extra extra, read all about it: Why Slovakian paywall technology startup Piano Media is making news*. [online]. [cit. 10. 11. 2021]. Available at: <https://tech.eu/features/2401/piano-media-slovakia/>
- [4] KRASKO, Ivan. *Sme.sk: Jak se úspěšně zamykal slovenský web*. [online]. [cit. 10. 11. 2021]. Available at: <https://www.mediaguru.cz/clanky/2017/10/sme-sk-jak-se-uspesne-zamykal-slovensky-web/>
- [5] MRVOVÁ, Iva. *Národný paywall Piano po piatich rokoch končí*. [online]. [cit. 10. 11. 2021]. Available at: <https://strategie.hnonline.sk/media/842346-piano-po-piatich-rokoch-konci>
- [6] NEWMAN, Nic et al. *Reuters Institute Digital New Report 2020*. Oxford: University of Oxford, 2020. [online]. [cit. 1. 10. 2021]. Available at: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf
- [7] NEWMAN, Nic et al. *Reuters Institute Digital New Report 2021*. Oxford: University of Oxford, 2021. [online]. [cit. 13. 10. 2021]. Available at: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2021-06/Digital_News_Report_2021_FINAL.pdf
- [8] PETIT PRESS. *SME.SK*. [online]. [cit. 12. 11. 2020]. Available at: <https://www.petitpress.sk/ponukane-tituly/smesk/>
- [9] RADOŠINSKÁ, Jana, Zuzana KVETANOVÁ and Ján VIŠŇOVSKÝ. To thrive means to entertain: the nature of today's media industries. 2020. In: *Communication Today*. Vol. 11, No. 1, pp. 4-21. ISSN 1338-130X. Available at: https://communicationtoday.sk/wp-content/uploads/01_RADOSINSKA-et-al_CT-1-2020.pdf
- [10] STRUHÁRIK, Filip. *MediaBrifing: Na SME sú články prvú hodinu zadarmo, Aktuality znižujú platy, Refresher má 5000 predplatiteľov*. [online]. [cit. 12. 6. 2021]. Available at: <https://e.dennikn.sk/1848633/mediabrifing-na-sme-su-clanky-prvu-hodinu-zadarmo-aktuality-znizuju-platy-refresher-ma-5000-predplatitelov/#>
- [11] TEREZANI, Michaela. *Piano finds success in Slovakia*. [online]. [cit. 10. 11. 2021]. Available at: <https://spectator.sme.sk/c/20040280/piano-finds-success-in-slovakia.html>
- [12] TVRDOŇ, Dávid. *Novinky v redakcii SME v prvom polroku 2021*. [online]. [cit. 10. 11. 2021]. Available at: <https://novinky.sme.sk/c/22715294/novinky-v-redakcii-sme-v-prvom-polroku-2021.html>
- [13] VIŠŇOVSKÝ, Ján and Jana RADOŠINSKÁ. Introductory Chapter: Journalism Facing Both Pandemic and 'Infodemic'. In: *Fake News Is Bad News: Hoaxes, Half-truths and the Nature of Today's Journalism : Hoaxes, Half-truths and the Nature of Today's Journalism*. London: IntechOpen, 2021. ISBN 978-1-83962-421-6.

Contact

Mgr. Alexandra Mathiasová
Univerzita sv. Cyrila a Metoda v Trnave
Fakulta masmediálnej komunikácie
Námestie J. Herdu 2
917 01 Trnava
Slovenská Republika
mathiasova1@ucm.sk