
MEDIA & ICT CONSUMPTION TRENDS

“PEOPLE ACCEPT PERSONAL DATA AS CURRENCY FOR ACCESSING NEWS”

News organisations are finding it difficult to monetise digital news services, and they are struggling with implementing new business models. Research suggests that people’s willingness to pay for digital news is rather low, and that a business model built on digital subscriptions is not sustainable. Neither digital-only subscriptions, nor metered paywalls seem to be sustainable models for increasing revenue levels.

Increasingly, personal data is becoming the main currency of the digital economy. Instead of charging consumers, news organisations could start requiring readers to share personal data and pass a ‘datawall’, an analogy with paywalls, to secure access to a selection of (free) news. Tracking data allows media organisations to engage with audiences more deeply by suggesting personalised content recommendations and commercial offerings. In other words: improving the user experience.

Consumer acceptance is key

However, the success of the datawall ultimately rests on consumers’ willingness to share personal information, and, hence, pay with personal data. Issues of data protection and privacy, for example, may undermine consumer acceptance of datawalls and hinder the implementation of big data strategies. The take-home message from existing studies is that consumers are willing to share personal information, as long as the perceived benefits (personalised offerings) exceed the perceived costs (privacy).

Consumers are more loyal to, and willing to share data with, brands they trust. As trust is considered a cornerstone in a long-term, intimate relationship between consumer and brand, news organisations need to invest in their reputation as trustworthy providers of high-quality news and information. Moreover, people’s willingness to share personal data is related to the extent to which they have control over the use of their own data.

Users beware of value of personal data

Results of a representative survey among of 981 Flemish Internet users, held in the context of iMinds’ Media ID project, reveal that a substantial number of people prefers a datawall (free registration, selected access) over a paywall (paid registration, full access). This scenario is even preferred over a total free scenario, in which people have limited access to news (76.4% and 17% respectively). This suggests that people are ready to consider personal data as a currency to access digital news.

As users become more aware of the value of their data and possible threats to their privacy, the question arises as to what sort of personal data consumers will be willing/reluctant to share. We found people are ready to provide basic demographics, but are reluctant to share contact and credit card details. The results also highlighted concerns about how media organisations would use personal data, with 77.7% of all respondents expressing concern about personally identifiable (name, address) data and 67.8% of all respondents expressing concern about non-identifiable (gender, age) data.

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Personal data is the main currency in digital economy



Trust and control are main determinants of people’s willingness to share data



FOR MORE INFORMATION

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Media & ICT Consumption Trends is a partnership between iMinds Research Center Media & ICT (iMinds-MICT) and digital research institute iMinds. The project seeks to provide an overview of academic research in Flemish media and internet consumption, and links insights into transforming audiences to the current challenges for the Flemish media industries. It therefore combines results from original user-driven innovation research with conclusions from international studies and technology trends reports.

Series Editors: Tom Evens, Bart Vanhaelewyn and Lieven De Marez

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Research Center **Media & ICT (iMinds-MICT)** is affiliated to Ghent University, part of the Flemish digital research center and business incubator iMinds, and forms, together with SMIT and CUO, the research department iMinds-Digital Society. The context and focus of MICT's research is today's digital society and innovation economy, and more specifically the changes and challenges that are imposed by that environment for each of its stakeholders: industry, policy makers and, not the least, end-users.

iMinds is Flanders' digital research center and business incubator, established by the Flemish government in 2004. Building on the expertise of our 850+ top researchers located at 5 Flemish universities, it introduces digital innovation in 6 key markets including Media, ICT and Smart Cities. iMinds collaborates with research partners to convert digital knowhow into real-life products and services that change people's lives for the better. Key asset is an agile, open research mind set and proven methodology.
