



Nielsen Online

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News Release

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AUSTRALIAN CONSUMERS HIGHLY UNLIKELY TO PAY FOR ONLINE NEWS: NIELSEN

Sydney, 16 October 2009 — Online measurement company, Nielsen, says online news sites aspiring to charge end-users for news are unlikely to meet with success due to the inherent nature of online news habits and lack of loyalty to any one provider.

Nielsen data and analysis points to a lack of loyalty amongst Australian consumers to any one news provider, with nearly three-quarters (71%) of visitors to Fairfax Digital Media's news websites in September 2009 also visiting News Digital Media, and 69 percent of visitors to ninemsn's National Nine News website visited news websites of Fairfax Digital Media.

"Traditionally, newspapers gave rise to strong brand loyalty amongst their readership, and a person who spent their money buying the Sydney Morning Herald was unlikely to also buy The Daily Telegraph and vice versa," states Mark Higginson, Director of Analytics, Nielsen. "However, this model has definitely not been replicated in the online space. Consumers of news are not brand loyal, they are interested in the timeliness of breaking news and multiple opinions and reporting on news events and as a result we see a very high overlap of audience between the news publishers in Australia."

The Nielsen data supports the opinion of ABC Managing Director, Mark Scott, who said in a presentation on the future of media in Melbourne this week that the ABC would never charge for content and observed that the power had shifted into the hands of audiences.



“For a single provider to introduce a paid-for content model, the end result would most likely be that the provider would be taken out of the competitive mix as consumers looked to other sites for their news, rather than driving loyalty to that one provider,” Higginson observed.

On Murdoch’s strategy of charging aggregators for re-purposed content, Higginson noted that this approach ignored the growth of citizen journalism, blogs and other consumer-generated media which was de-centralising the flow of information away from the traditional media empires. Nielsen data revealed that in Australia, more than four in five Internet users (86%) engaged in user-generated content consumption and, of those people, 60 percent (6.8 million) read blogs, which was up from just 48 percent in the previous 12 months.

Interestingly, key drivers of growth in consumer generated media were trust-related – of the 6.8 million Australians reading blogs, 68 percent cited independent sources of news as more interesting to read than traditional news websites and 53 percent said blogs provided a more independent source of news. More than half of Australian blog readers (53%) felt that news websites were more likely to be funded and influenced by advertising.

“Acquisition of news information from non-traditional sources is clearly an area of rapid growth,” noted Higginson. “But while formal news agencies are evolving within the online environment, consumers are also increasingly turning to citizen journalists for interesting and independent points of view in addition to using more traditional news sources.”

Higginson concluded that while any move by news sites to charge aggregators for content repurposing would have little impact on the rapid growth of user generated content, since the scope of aggregator content fees would be limited to stories considered ‘exclusive’, it could effectively drive more consumers to News Ltd sites for content that other news sources may not have.

About The Nielsen Company

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