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## PAYWALL AS A MODEL OF FUNCTIONING FOREIGN AND UKRAINIAN ONLINE MEDIA

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Mass media have undergone significant changes during the global development of the Internet. Easy access to content creation and distribution, blogging, social networks encouraged the media to search for new forms and methods of communication with the audience. The most affected by the changes were traditional media, in particular newspapers, which were forced to reduce their circulation or go online entirely. However, this format also needs to be changed due to financial problems. One of the common mechanisms of functioning in global online media is paid content, the so-called paywall. This approach involves attracting funds from readers through a monthly subscription or paid individual materials. In the USA and Western European countries, paid content in online media began to be introduced at the beginning of the 21st century. The New York Times and The Wall Street Journal were among the first media to resort to such a tool for attracting funds from readers. If the New York Times simply limited the limit of free materials to twenty, then The Wall Street Journal completely limited access to the full versions of its publications. Different models of paid content have also been introduced by French and Australian online media. Kyiv Post newspaper introduced such a model for the first time in Ukraine. However, this means of mass information is not intended for a wide audience, and was immediately aimed at a niche audience. Therefore, we believe that the first socio-political Internet mass media in Ukraine that resorted to the paywall model was the edition “Novyi Chas”, which began to work according to this scheme in 2020. Liga.net was another Internet mass media, which offered readers an ad-free version of online mass media for a nominal fee. The impetus for collecting funds from readers in Ukraine was the coronavirus pandemic, when the number of advertisers decreased significantly. The next challenge was the war, so online media should look for new ways to attract and retain an audience, as well as receive finances for stable operation.

**Key words:** paywall, online media, charge, content, audience.

**Introduction.** The rapid development of the Internet and the latest technologies has led to the growing popularity of online media around the world. And Ukraine is no exception. Back in 2019, Internet media together with social networks gained leadership in popularity among the Ukrainian audience. Thus, online

media have become the main source of information, because social media in the information aspect contains newsfeed which is disseminated from the Internet media. Such supremacy in the media space has a number of obvious advantages and at the same time threats. Easy access to information, its versatility and diversity should help to increase the level of media literacy in society, but unfortunately this has not happened.

One of the reasons is the involvement of online media, their dependence on owners and editorial policies. Recipients often do not know who owns a particular media holding or individual online media. But some changes in this aspect has become. In particular, according to an IMI study (IMI, 2020) in 2020, 40 % Ukrainian online media demonstrate the transparency of their data. However, this is more about the contact details of the editorial office and the name of the editor-in-chief or another person responsible for the content [7]. Instead, only 24 % of the surveyed online media in Ukraine provided data on the final beneficiary. If we take into account the fact that only a small part of online media readers in Ukraine are interested in information about the ultimate media owner, it becomes clear that the responsibility for quality content, its verification and distribution lies depends form the editor-in-chief and editorial staff. The theme of payed content in online media is deeply examined by foreign researchers, such as Pattabhiramaiah A., Overby E., Xu L. [11, 12], Olsen R., Solvoll M. [10, p. 175], Carson A. [3, p. 1023], Tóth T., Goyanes M., Demeter M., Campos-Freire F. [14, p. 172], Zeisberg M., Hansen N. [15, p. 340]. However, among Ukrainian scientists' paywall is often out of the attention. So this theme need to be investigated in more detail.

**Discussion.** To make readers pay for news content has always been a fundamental way to generate revenues for the press and an essential part of its business model [1, p. 1055]. In Ukraine there is no clear definition of paywall. But foreign scientists have already proposed some case studies, where there are explanations what a paywall really is. Lesley Chiou and Catherine Tucker declare that a paywall refers to any type of “digital mechanism that separates free content from paid content on a website”. Sites can implement paywalls in several different ways: content-based, frequency-based, micropayment, or app-based. Typically, sites will erect a content-based paywall under which certain types of information (e.g., breaking news and reporter blogs) are freely accessible while other “premium” content (e.g., popular columnists) can only be accessed [5, p. 67].

The next question, which is of interest for scientists is what content should be charged. Helle Sjøvaag says that the premium model primarily reserves content with local affiliation for subscription readers, while wire copy, syndicated content and immediacy news remain open to non-subscribers. As such, open online news content is highly traffic-generating, while paywalled content protects the most valued and resource-demanding journalistic production of the newsroom [13].

The main aim of paywall model for online media is often declared as increasing amount of subscribers. But Davoudi et al. argue that there is no direct relationship between the number of paywalls presented to readers and the number of subscriptions, and that this artificial barrier, if not used well, may disengage potential subscribers and thus may not well serve its purpose of increasing revenue. Moreover, the current paywall mechanism neither considers the user browsing history nor the potential articles which the user may visit in the future. Thus, it treats all readers equally and does not consider the potential of a reader in becoming a subscriber [4, p. 26].

It's obvious, that readers will be ready to pay only for the unique content, which they can't read anywhere else. R. Benson explains, that the upside of the subscription model is that readers are only going to pay money for something they really want or need. This provides a strong incentive for news organizations to produce the highest quality journalism. In France, *Mediapart* has adopted a pure subscription model – entirely paying for its profitable operations with around 130,000 subscribers paying 11 euros per month – and used these revenues to produce independent investigative reporting that has been critical of governments both right and left [2, p. 147].

Merja Myllylahti, based on the quantitative content analysis of the Australian newspapers, found out that publishers consider hard news and opinion pieces as the most valuable news commodity. These were the most frequently paywalled content of the papers [9, p. 465].

Despite lots of disadvantages of paywalled content there is also a threat that such mechanism can be not acceptable for readers. Thus, newspapers stand the risk of driving away readers who are not willing to pay for online news. As online ad revenues are heavily linked to newspaper readership, newspapers also stand to put these revenues at risk if the paywall leads to heavy reader attrition [11, p. 20]. So, all changes in the mechanism of functioning a media should be thought-out and ideally, discussed with readers.

**Results.** News with fakes and manipulations are published in both all-Ukrainian and regional mass media. According to IMI monitoring, the most common types of manipulation in the news are hidden advertising (43 % of the total number of manipulations), judgments, assessments presented as fact (20 %), and fragmented (incomplete) information (19 %) [7]. Exaggeration/reduction of real data accounted for 9 % of the total number of manipulations, the headline did not correspond to the content of the text in 7 % of news with manipulations, pseudo- experts or involved experts appeared in 4 % of news with manipulations [6].

The reasons for this phenomenon can be both media involvement and the owner's influence on editorial policy, and negligence, unprofessionalism or banal inattention of journalists. So as a result – the audience gets unquality, inaccurate or distorted information, which consequently affects the outlook of citizens, their choice in political, economic, social or cultural spheres. Online media editors often acknowledge the issue of the owner's influence on the content and hidden advertising. However, they note that the reason for this phenomenon is the economic inability of newsrooms to operate independently, refusing financial support from politicians, oligarchs or businessmen, who in turn influence on the content. In this case works popular in Ukraine proverb: “Who pays money orders music”.

The problem of the quality of media texts in the online media was especially acute at the beginning of the pandemic. There is a lot of unverified, untrue information that has caused people to panic and misunderstand the scale of the problem. At the same time, online media itself has faced economic difficulties, as quarantine restrictions have drastically reduced the number of advertisers, forcing many online media outlets to reduce their editorial staff and lower the amount of salary.

As far as Russia has started the war in Ukraine, Ukrainian media have fallen in new economic crisis. The reason is that the amount of advertising sharply decreased and the readers are not ready to help media because their economic situation is also difficult. Besides, all economic and moral efforts are focused on helping our Army. So, a lot of mediaworkers became volunteers on the one hand, for the demands of military, on the other – for informing the society.

But such situation can not last long and media should have a model for their functioning after the war. To conduct the recovery of Ukraine we need free media, which will not be influenced by their owners, politics etc.

One of the ways to solve the problem of media involvement and influence on the editorial policy of media owners is economic independence gained by monetizing content – so called paywall.

In the global media industry, the economic model of the media in the form of paid content is not new. For example, the New York Times introduced this approach in 2011. On March 28, 2011, The New York Times website became a restricted site where most of the content was protected behind a “paywall”. Users who exceeded the limit of 20 free articles per month were required to pay for either a digital or print subscription [8]. At that time, paywall was already being tested by The Wall Street Journal. The paid model of the New York Times paywall was that the user was provided with 20 articles per month for free, if the user used his number of free publications, he had to pay. Now the media works on the same model. The cost of subscription is half a dollar a week, 2 dollars for 4 weeks. The Wall Street Journal does not provide completely free content at all. Thus, the reader is presented only part of the article, which may consist of 1–2 paragraphs, the full version of the material is available only by subscription. The cost of such a subscription is initially 1 euro for 2 months, and then 10 euros per month. Newspaper paywalls are becoming an increasingly prevalent phenomenon, with nearly 75 % of newspapers in the United States either having implemented a paywall or actively considering setting one up. Such situation is explained that the popular belief is that paywalls may provide a welcome new source of revenue: online subscriptions [11, p. 27].

For the first time in Ukraine, such a model was introduced by Kyiv Post in 2012. However, this edition is English-language, has a limited audience and the scope of distribution of the printed version of

the newspaper, so it cannot serve as a source for analysis, generalization and recommendations for public and political mass media.

Among the mass socio-political online media in Ukraine such model was first introduced by the site New Time (Novyi Chas – Ukr) in the spring 2020, when they limited the amount of free content and offered readers access to exclusive materials by paid subscription. The subscription price for new users was symbolic – 1 hryvnia (UAH) per month. This price was valid for the first 3 months, then the cost increased to UAH 49 per month.

Chief editor of the site Vitalii Sych notes: “We guarantee, that on our site you will not see the promotion of the interests of politicians, businessmen and political parties. You also will never see this hidden commercial advertising, which is called in Ukraine “the jeans””. Thus, on the portal appeared the section “NT premium”, where are posted exclusive materials. Users can read for free only the part of the material while to read it completely, you need to subscribe for at least a month.

Another Ukrainian Internet media “League. net” introduced another model of commercialization – Ad Free. This version of the site costs 1 euro per month. The portal also has a “support” function. The editor-in-chief of the League.net B. Davydenko notes, “there are many media outlets in Ukraine, but there is critically little amount of honest, reliable and important journalism. Journalism, which digs into the essence, which has no forbidden topics and personalities, which shows the complexity of the world and at the same time makes it clearer. Such journalism is not in need for oligarch or politicians, but it is needed only for you – readers. But for now oligarchs and politicians are paying for the Ukrainian media ...and you are changing this”. Readers are offered to support the site as a friend (UAH 100 per month), a partner (UAH 200 per month) or a patron (UAH 300 per month). Each of these support packages offers different “bonuses” for readers.

**Conclusions.** Currently in Ukraine there are no more online media, which would have introduced a model of paid content for readers, while more and more editorships claim at about economic problems and the functioning on the edge of the existence. A lot of Ukrainian newspapers closed their offices or stopped to publish printed versions and stayed only in online. But online media also needs to have income, and in the situation of global media transformations and spread of social networks, the successful functioning of media outlets depends on the amount of readers and their readiness to pay for a content. And paywall can be one of the means for financial stability of online media. Nevertheless, paywall can lead to the decrease of readers of media outlet, which have provided a charge for common materials. Thus it is important to single out content, which will be of high demand and interest of the audience and to create a strategy of a paywall mechanism in the concrete media outlet.

Therefore, the goal of the projects for studying paywall should be aimed to improve the quality of journalistic content through de-oligarchization and non-involvement of online media, achieved through the implementation of paid content models. In order to achieve the above goal, or at least get closer to its implementation, it is necessary to perform several tasks in such stages.

So Ukrainian media should consider paywall as a perspective model of their successful functioning.

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### ПЕЙВОЛ ЯК МОДЕЛЬ ФУНКЦІОНУВАННЯ ЗАРУБІЖНИХ ТА УКРАЇНСЬКИХ ОНЛАЙН-ЗМІ

У час глобального розвитку Інтернету мас медіа зазнали значних змін. Легка доступність до створення та поширення контенту, блогінг, соціальні мережі заохотили медіа до пошуку нових форм та методів комунікації з аудиторією. Найбільше відчули зміни традиційні медіа, зокрема газети, які були змушені зменшити свої тиражі або повністю перейти в онлайн. Проте і такий формат потребує видозмін через фінансові проблеми. Одним із поширених механізмів функціонування у світових онлайн медіа є платний контент, так званий пейвол. Цей підхід передбачає залучення коштів від читачів шляхом місячної підписки або платних окремих матеріалів. У США та країнах Західної Європи платний контент в онлайн медіа почали запроваджувати на початку 21 століття. Серед перших медій, які вдалися до такого інструменту залучення коштів від читачів були, *New York Times* та *The Wall Street Journal*. Якщо *New York Times* просто обмежило ліміт безкоштовних матеріалів до двадцяти, то *The Wall Street Journal* цілком обмежив доступ до повних версій своїх публікацій. Різні моделі платного контенту запровадили також французькі та австралійські онлайн медіа. В Україні вперше таку модель запровадила газета *Kyiv Post*. Проте цей засіб масової інформації не є для широкого залу, і відразу орієнтувався на нішеву аудиторію. Відтак ми вважаємо першим суспільно політичним Інтернет-ЗМІ в Україні, що вдався до моделі пейвол було видання “Новий час”, яке почало працювати за цією схемою у 2020 році. Ще одним Інтернет-ЗМІ стало “Ліга.нет”, яке запропонувало читачам версію онлайн ЗМІ без реклами за символічну оплату. Поштовхом до збирання коштів із читачів в Україні стала пандемія коронавірусу, коли кількість рекламодавців суттєво зменшилась. Наступним викликом стала війна, відтак онлайн медіумам варто шукати нові способи залучення та втримування аудиторії, а також отримування фінансів для стабільного функціонування.

Ключові слова: пейвол, онлайн медіа, оплата, контент, аудиторія.