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**FACTORS INFLUENCING CONSUMER ADOPTION OF NEWS PAYWALLS
IN KENYA**



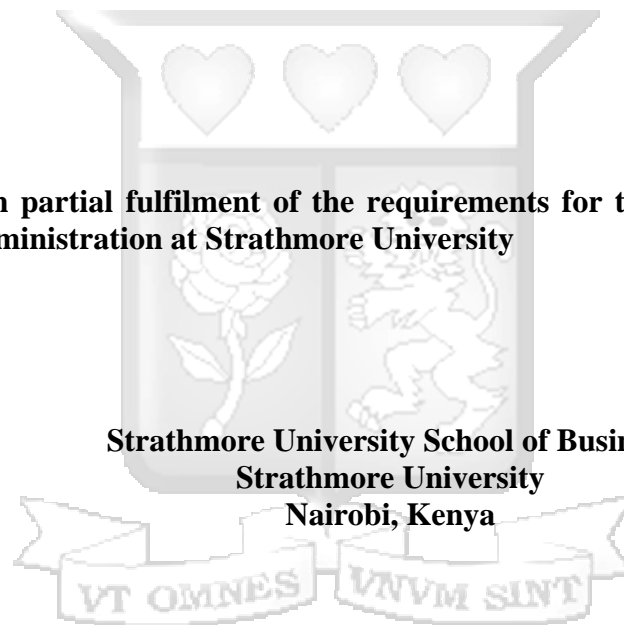
MASTER OF BUSINESS ADMINISTRATION

2023

**FACTORS INFLUENCING CONSUMER ADOPTION OF NEWS PAYWALLS
IN KENYA**

CHURCHILL MOSES OTIENO AUMA

**Submitted in partial fulfilment of the requirements for the Degree of Master of
Business Administration at Strathmore University**



**Strathmore University School of Business
Strathmore University
Nairobi, Kenya**

July, 2023

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Approval

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ABSTRACT

The advertising-dependent revenue model that has supported news publishers thus far has come under significant pressure due to digital disruption. This has led publishers across the globe to embark on new models, especially reader revenue, with paywalls being the most tried. The purpose of the study was to assess factors influencing the consumer adoption of the paywall revenue model by news media organisations in Kenya. The specific objectives of the study were; to establish the influence of economic factors on news users' decisions to subscribe to news paywalls in Kenya; to determine the extent to which availability of alternative news sources affect consumers' decisions to adopt news paywalls; to establish influence of user characteristics on the adoption of news paywalls; and to determine the influence of media house characteristics on the user adoption of news paywalls. The study was anchored on Uses and Gratification Theory and the Reinventing Your Business Model, and adopted a descriptive survey design as well as a correlation research design. The study targeted news consumers of which 400 online news consumers in Nairobi County were sampled through simple random sampling approach. The study collected quantitative data using questionnaires, which were then analysed through descriptive statistics in the form of frequencies, percentages, means and standards deviations, while the Pearson Product-Moment Correlation Coefficient technique was utilized to test the relationship between the variables. The analysis was done using Statistical Package for Social Sciences (SPSS) version 25. The study found that the rate of adoption of paywall news was still low in Kenya, and that news consumers did not see much distinction between news from mainstream publishers and those from social media and blogs. Most of the news consumers would purchase online news so long as the paywall was affordable. Moreover, comprehensive and inclusive coverage of news would also encourage adoption of paywall news among the consumers. Quality of news was also a major determinant. The study established that economic factors, availability of alternative news sources, users' characteristics and media house characteristics significantly influenced the adoption of paywall news at 95% confidence level. Media houses can partner with internet service providers to first boost access and awareness regarding paywalls. This would allow new users of the internet, for example, at a subsidized data cost, access unique news content.

Key words: news media, paywalls, audience revenue, business models

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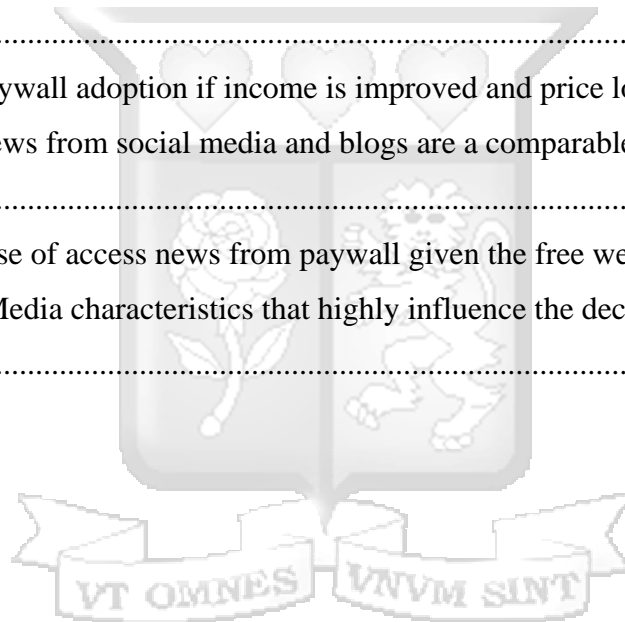
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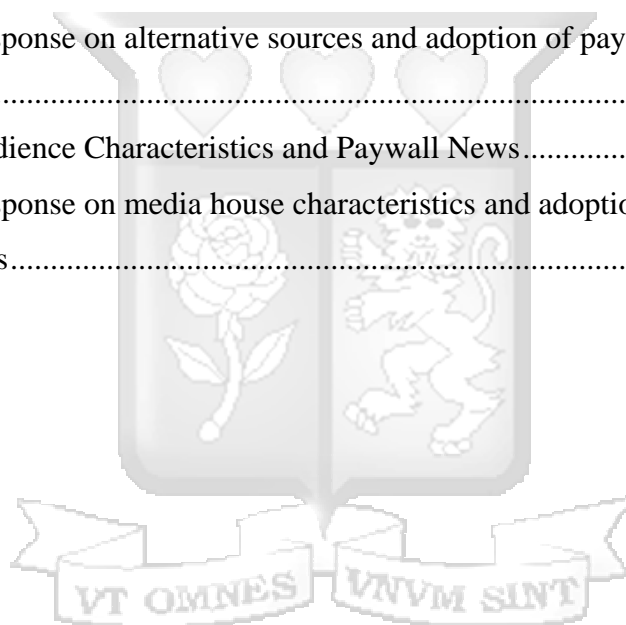
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ABBREVIATIONS AND ACRONYMS

B2B	Business-to-business
B2C	Business-to-customer
CA	Communications Authority
CEE	Central and Eastern European
CVP	Customer value proposition
FT	The Financial Times
ICT	Information and Communication Technology
INMA	International News Media Association
KBC	Kenya Broadcasting Corporation
KCA	Kenya Correspondents Association
KEG	Kenya Editors' Guild
KICA	Kenya Information and Communication Act
KNBS	Kenya National Bureau of Statistics
KUJ	Kenya Union of Journalists
MCK	Media Council of Kenya
MOA	Media Owners Association
NACOSTI	The National Commission for Science, Technology, and Innovation
NMG	Nation Media Group Plc
NYT	The New York Times
OPA	Online Publishers Association
SG	The Standard Group
U&G	Uses and gratifications theory
UK	United Kingdom
WTP	Willingness to pay

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my sincere gratitude and appreciation to all those who have contributed to the completion of this dissertation on Factors Influencing the Consumer Adoption of News Paywalls in Kenya. This research would not have been possible without the support, guidance, and encouragement of numerous individuals and institutions, and I am truly indebted to them.

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While I have made every effort to acknowledge all those who have played a significant role in this dissertation, I apologize if I have unintentionally omitted anyone. The completion of this research has been a collective effort, and I am sincerely grateful for the support and contributions of all involved.

Thank you once again to everyone who has been part of this journey. Your guidance, support, and encouragement have been invaluable, and I am truly grateful for the opportunity to undertake this research on consumer adoption of paywalls.

Churchill Moses Otieno Auma

DEFINITION OF KEY TERMS

Alternative news sources: These are other available news sources that consumers of news can access freely or at a more affordable cost. They include social media and blogs and free websites

Audience characteristics: These are attributes of consumers or audience of news that describes the consumer. They include gender of the news consumer, education and their preferences.

Consumer adoption: Customer adoption is seen to happen when a new product or service in the marketplace acquires new and/or repeat customers. It is the start-to-end process of product awareness and integration into a customer's life.

Economic factors: These are fiscal determinants of consumer goods and services. They include, price of the services and income of the consumers.

Media consumers: These are individuals or group that take in the sum of information and entertainment media. It includes activities such as interacting with new media, reading books and magazines, watching television and film, and listening to radio.

Media house characteristics: These are attributes of a media house that best describes the news media. They include quality of the news, trust and brand.

News Subscription: A purchase by prepayment for a regular delivery of news for a certain period of access to or use of an online news service.

Paywall: A system that prevents Internet users from accessing certain web content without a paid subscription. It is a system that restricts the access of online new content without purchase or paid subscriptions by the news consumers

Rate of News Subscription: Amount charged by the news media to access online news by the consumers.

Revenues: This is the money generated from normal media house operations, calculated as the average sales price times the number of units sold.

DEDICATION

Dedicated to Caroline, Powell and Claude, whose unwavering support, love, sacrifice, and encouragement has sustained me throughout this academic journey. Your belief in my capabilities and your constant presence have been a source of strength and motivation, and I am grateful for your unwavering faith in me.





CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background Information

In Kenya, like in the rest of the globe, news publishers are now confronting difficulties to their survival because of the disruption caused by digital technology. This has led to declining income for news media, with advertising being the most impacted revenue source (Kenya Editors' Guild, 2021). Key news organizations in Kenya shifted their business strategies in 2020 by installing paywalls to increase their income in the belief that this would help them remain financially viable (Nation Media Group Plc, 2021) (Standard Group, 2021). Advertising has historically been a crucial source of revenue for news organizations but this has now come under significant pressure. Due to their increasingly shaky economic model, Kenya's major media remain financially vulnerable (Ogola, 2022). Ogola concludes that the dependence on advertising income and the generosity of affluent proprietors imposes substantial structural and operational limits and vulnerabilities on most local media. He says that governments and large corporations, which are often related to the state, continue to be the largest marketers in the media sector.

Faced with technological disruption, news media organisations all over the world have resorted to innovative coping mechanisms to sustain their revenues, including the introduction of paywalls to complement the traditional advertising model of revenue generation (Kenya Editors' Guild, 2021).

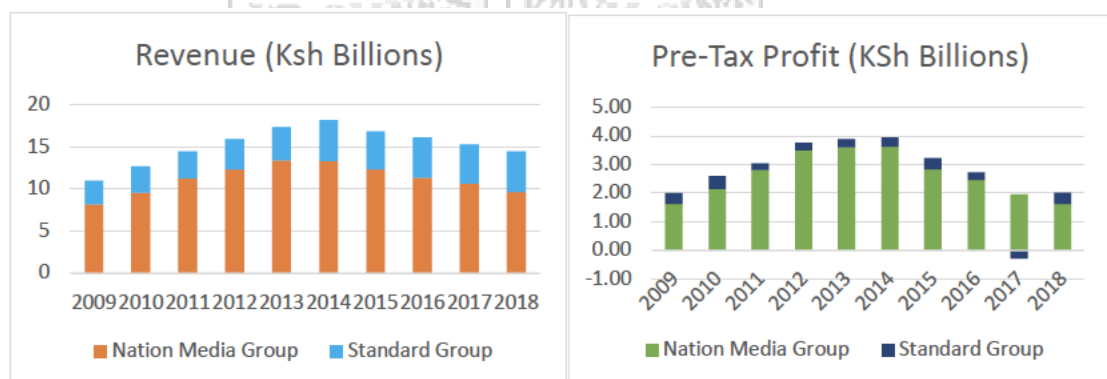


Figure 1.1: Financial Performance of Key Media Companies (Kenya Editors' Guild, 2021)

Kenya is acclaimed as a leader in Africa when it comes to technology adoption (Ndemo, 2016). Two of Kenya's leading news publishers – the Nation Media Group

and the Standard Group – in 2021 launched paywalls, effectively becoming amongst the very first to do so in sub-Saharan Africa. This was informed by the fact that online news readership is on the rise, with the average number of online visitors per day increasing by 28.0 percent to stand at 3.7 million in 2020 (Kenya National Bureau of Statistics, 2021).

News media organisations in Kenya have traditionally operated business-to-business (B2B) models, creating value by aggregating audiences then selling the audiences' attention to advertisers. Shifting strategy to subscriptions, of which paywalls is one form, requires that they embrace a business-to-customer (B2C) model, where the value is created from the user of the product directly. This is further complicated by the fact that they are not abandoning advertising but are instead seeking to run it alongside subscriptions. In effect, we are looking at media houses in Kenya seeking to run mixed business models – B2C and B2B – together. It has been argued that business model change is inevitable, even late, for the news media in Kenya (Kenya Editors' Guild, 2021).

Due to the declining readership of print newspapers (Kipkemboi, 2021) and the reduced effectiveness for the ad-based model to serve as the only income source, it has become vital for heritage newspapers to establish new sustainable business models (Kenya Editors' Guild, 2021). Digital Content Next (previously the Online Publishers Association) said in 2013 that 95% of its newspaper and magazine members had a paid membership approach, including *The New York Times* (Blackhurst, 2013), *The Financial Times*, and *The Guardian* (Online Publishers Association, 2013). To implement such techniques, publishers throughout the globe have erected digital restrictions, commonly known as paywalls, requiring payment prior to granting access to their material. The structure of these paywalls primarily falls into two categories: the hard paywall and the soft paywall (Blackhurst, 2013). However, as publishers seek to increase conversion rates, new creative models are beginning to develop.

A paywall is a critical piece in a business model in which publishers require news consumers to pay before accessing online content (Blackhurst, 2013) or a system in which costumers are charged to gain access to information on a digital platform or channel (Vara-Miguel, Martín, & Díaz-Espina, 2014). Making readers pay for news information has always been an important method for newspapers to earn income and, coupled with advertising, a crucial component of news publishers' business model. However, the advent of the internet in the mid-1990s altered this economic rationale for

many newspapers, as they began offering their content for free on the internet and relying nearly completely on advertising income for a return. Most publishers adapted the logic of free internet news for users for more than a decade. However, this began to change with the 2008 financial crisis. Arrese (2016) examines the history of this shift in the business strategy of the press, which reflects the development of various payment mechanisms and, ultimately, paywalls to generate money for online publications. The research identifies four phases in the growth of journalism paywalls and highlights the need of seeing the paywall acceptance process as a retroinnovation. This history of paywalls also demonstrates how certain prominent brands, some corporate executives, and a few specialised journalistic disciplines, such as the economic and business press, have contributed significantly to the increasing adoption of new payment methods among media firms. By offering interactive e-commerce and web 2.0 applications and services, and thus actively engaging consumers in communication and transaction processes, media publishers must increasingly emphasize solid and sustainable relationships that can help them achieve greater economic viability and a sustainable competitive advantage in the digital marketplace (Murschetz & Friedrichsen, 2017).

Introduction of paywalls often results in a precipitous decline in traffic to news websites, sometimes as high as 51 percent, with a percentage even higher among young readers (Chiou & Tucker, 2013). More recent studies put this at 11-15 per cent (Skjeret, Frode, & Wyndham, 2019). Other studies, however, have shown that a paywall sales strategy might result in positive demand substitution from digital to conventional channels, particularly for companies with huge circulations and distinctive content. In addition, the originality of content mitigates the fall in digital demand, hence mitigating the drop in digital advertising income and boosting digital subscription revenue. In general, the efficiency of a digital paywall varies by both the source and the route of revenue across media organizations with distinct features (Chung, Kim, & Song, 2019).

A paywall separates paid and free online information (Sjvaag, 2016). Micropayments, an a la carte business model in which consumers are charged, often per article, to access the content of online newspapers, have also been highlighted in the literature as other direct revenue-generating techniques (Kristensen & Solvoll, 2019). This is in contrast to the standard, included paywall strategy. According to Myllylahti (2014), the number of paywalls in the United States has expanded fast, with 300 newspapers offering paid online news material in November 2012. At the beginning of 2013, several sorts of paywalls were prevalent among financial, national, and some local

publications of quality (Arrese 2016). According to Myllylahti (2014), variations have been adopted, including: hard/full paywalls that prohibit access to content without a subscription; soft paywalls that offer some free content; metered paywalls that limit the number of free articles; and 'freemium' paywalls that offer some free content and charge for premium content. In the early days of adoption, paywalls failed to provide significant income gains.

1.1.1 Economic Factors

Since access to the online version of newspapers has traditionally, globally and in Kenya, been provided free to readers, revenue from the online channel has come solely from advertising. Although online advertising revenues have been growing steadily, this growth has not been sufficient to compensate for the offline advertising revenue losses (industry estimates suggest for every advertising dollar gained online, newspapers lose 16 advertising dollars offline (Thompson, 2013). Thus, in recent years, newspapers have tried to tap into a new source of online revenue via imposing an access and/or a consumption fee, commonly implemented as a “paywall.” As of 2014, nearly 75% of all newspapers had implemented paywalls (Marsh, 2014), including some high-profile national newspapers such as the New York Times, the LA Times and the Washington Post.

Given that in developed societies information, communication and technologies is freely accessible to everyday users (Eurostat, 2015), economic factors are not emphasised, making it even more relevant to show what individual considerations lie behind the decision to pay for digital journalistic content. To date, the factors influencing willingness to pay have been sought in readers' socio-demographic background and media consumption habits (Curtois et al., 2015; Goyanes, 2015; Herbert & Thurman, 2007). Chyi et al. (2010), when studying the citizens of Hong Kong, made it clear that people with a higher income were more likely to be willing to pay for digital news. A study of the audience that pays for digital media content revealed that 52% have higher income of which 89% say they are very interested in news, 43% use a tablet for news, and lastly, as an example, in the UK the main reason for signing up and remaining a digital media reader is the broad range of news coverage offered (Newman & Levy, 2014). However, it is not clear whether the low rate of adoption of paywall news in Kenya among the news consumers can be attributed to array of economic factors. The present study therefore sought to assess

effects of economic factors such as price of the paywall news and income of the consumers on adoption of the paywall news in Kenya, to fill this gap.

1.1.2 Alternative News Sources

The availability of alternative news sources may impact news consumers' willingness to pay or subscribe to a paywall news platform (Castells, 2016). Unless the news paywall platform delivers exclusive content not available on other free-access platforms, customers will always choose a free-access news source. In 2001, The New York Times was the first to give its newspaper content for free, laying the path for the emergence of a "free culture" regarding news consumption (Castells, 2016). The expansion of 'free culture' via social networks has increased the dissemination of free information (Jansson & Lindell, 2015; Cingel, Lauricella, Wartella, & Conway, 2014). After more than a decade of cultivating the habit of free consumption, it is tough to suddenly demand money for this material. In addition, the "free culture" in the European media environment is largely reinforced by accessible public service media on numerous platforms. Thus, a new issue arises for the individual user: why pay when a great quantity of information is still freely accessible? The mobile media display many anti-"free culture" tendencies. According to Newman and Levy (2014), the rising use of mobile platforms may be seen as a contributing reason to the growing willingness of readers to pay for online news. However, technology is not the only element that has changed consumer behaviour; human considerations also play a role.

The experience in Estonia, a digital leader amongst nations, is of interest. Five of the twelve business models outlined by Art Silverblatt (2009) are applicable to the media scene in Estonia. According to the first model, the "free model," information accessible over the Internet is free and open to all users; hence, media companies do not benefit from online news revenues. This is only partially true in Estonia, since paid material exists alongside free content, but comparable "free models" are in use in other CEE nations (e.g., Latvia, Lithuania, Slovenia, Serbia, Croatia). Different media companies are gradually adopting the "freemium" pricing model, according to which certain material is free while other content is only available in paywall platform. Free items do not need the user to determine whether to pay or not. In contrast, free items transmit the message that the product has a reduced value, which may diminish customer interest in the product. The mental cost, along with the monetary cost of a product, decreases the likelihood that a client would accept a micro-payment model, particularly when free alternatives are available (Sindik & Graybeal, 2011). This does not imply that public

service media should not give free material; rather, it implies that the monetised content must be distinct and should be focused on target populations prepared to pay.

1.1.3 User Characteristics

Uniqueness of content reduces the decline in digital demand, moderating the loss in digital advertising revenue while increasing digital subscription revenue (Chung, Kim, & Song, 2019). Moreover, news readership when delivered online varies based on scope. “Readers of online editions of local papers tend to be readers of that paper, but online editions of national papers reach people who do not read the print edition” (Chyi & Lasorsa, 2019). Much research about platform preference has focused on audiences’ wants and needs and the content itself rather than demographic variables like education.

While there is a limited amount of research assessing education level, gender and news paywall usage, researchers have confirmed the power of education as a predictor of media behaviour (Self, 2018). Education is positively associated with general news exposure (Poindexter & McCombs, 2011). Exposure to a variety of media outlets, especially for people from lower socioeconomic backgrounds, has been found to predict the extent to which people are able to receive diverse ideas, with interest and prior knowledge as even better predictors (Wurff, 2011). Education consists of more than years of schooling. It is a lifelong process that can come from several different sources, including conversations with community members (Ognyanova et al., 2013), suggesting that paid online news, as a common information denominator, can become part of education. Formal education is a factor in a person’s preferred news medium. However, findings have suggested that usage of news paywall varies widely from person to person, regardless of education.

1.1.4 Media House Characteristics

It is evident that content quality and brand equity of the media house plays a central part in the willingness to pay for online news (Lichtenstein & Rosenfeld, 2013). Besides, certain news genres have also been found to have a bigger influence on driving subscriptions. Communication scholars have traditionally looked at people’s needs and motivations for explaining why they adopt or do not adopt a certain medium. In accordance with the uses and gratification perspective (Blumler & Katz, 1974) people turn to media because its content offers a certain value, such as information, surveillance of the environment, entertainment, and passing time when it comes to

news consumption (Elliott & Quattlebaum, 1979; Lichtenstein & Rosenfeld, 1983; Rubin & Perse, 1987; Weaver, 1980).

The International News Media Association (INMA) found how in 35 local news publications, investigative journalism triggered the most subscriptions, followed by crime, accidents, health care and opinion (Whitehead & Wilkinson, 2019). A study of college students found how they valued their experience of online news on accessibility, shareability, consistency, fun, importance, personification, and diverse content (Wang, 2017). Turning to the experts, in-depth interviews with professionals from the fields of communications, digital marketing, and news companies found how the efficiency of payment models for online news was believed to heavily rely on the added value of the news content. Further, this was thought to depend on four quality variables, much like those found in the college students: specialization, differentiation, exclusivity, and accessibility (Marta-Lazo & Segura-Anaya, 2017).

1.1.5 Paywall Adoption in Kenya

The *Wall Street Journal*, a US business newspaper, is widely credited with pioneering news paywalls in 2016 (Swila, 2022). Swila notes that, despite arriving on the paywall scene later, *The New York Times* has since managed to strike the most success globally. He uses this context to pose a question as to whether the two news publishers in Kenya – the Nation Media Group and the Standard Group – will strike success with their paywalls. The digitalisation of society has presented news publishers with a challenge. Both newcomers to paywalls and old players seem focussed most on two issues: whether they are attracting a growing number of subscribers and whether they are persuading a reasonable share of their readers to subscribe on an ongoing basis. News publishers, therefore, have to strike a delicate balance between staying relevant hence attracting a significant size of audience and introducing hurdles such as paywalls that promise a chance to remain sustainable while at the same time having the effect of repulsing some members of the audience.

Nation Media Group's paywall managed to win 21,000 subscribers within three months (Maher, 2022), with a caveat that most of them were those who were opting for the daily plan via mobile payments. This compares closely to South Africa Media 24 whose paywall garnered 20,000 in its first three months (Media Update, 2021). Many news publishers began the digital journey by providing unlimited access to their web content to generate advertising revenue and to compete for the attention of their readers. Recently, news organisations have attempted to limit the quantity of free

content accessible online. Skjeret, Frode, and Wyndham (2019) measured the effect of a paywall's introduction on the demand for news in Norway. They found that the typical short-term effect of a paywall is negative, often resulting in a traffic reduction of between 3 and 4 percent, whereas the long-term effect is between 9 and 11 per cent. Skjeret, Frode, and Wyndham discovered variation in paywall responses. The impact is greater where a publisher is a major player in its market are greater than those of the other news providers. After implementing a paywall, the major news providers see a 13 to 15 per cent decline in long-term demand, whilst the rest experience an 8 to 11 per cent decline. The introduction of a paywall does not seem to have a significant impact on the demand response. Other studies have found that the reduction can be as high as 51 per cent, with a percentage even higher among young readers (Chiou & Tucker, 2013). It would therefore seem that the true impact varies either by market or by maturity of paywall culture.

Despite being caught in the crosswinds of a shifting media landscape from print to digital and the difficulty in managing the relationships between print and digital platforms (Olsen & Solvoll, 2018), news media organisations have implemented a variety of models that require payment in exchange for online content produced by journalists. This is where willingness to pay (WTP) has directly entered the academic discourse, such as in Myllylahti (2014), Wellbrock & Kleer (2020), and Ladson & Lee (2017) since these payment models actively solicit money in return for access to online journalism/news material. The most attractive income strategy is the paywall, in which users are often required to pay a set monthly or yearly charge to access content (Myllylahti, 2014). While paywalls are of central interest in these studies, it is apparent that in nearly all instances the affected news publishers never opted for paywalls as a first choice in their business, but rather as a defence or survival mechanism following difficulties experienced in their preferred revenue model – advertising.

A paywall is a digital system that separates paid and free online information (Sjvaag, 2016). Micropayments, an a la carte business model in which consumers are charged, often per article, to access the content of online newspapers, have also been highlighted in the literature as a way of direct revenue-generating techniques (Kristensen & Solvoll, 2019). This contrasts with the standard included in a paywall strategy. The most well-known payment scheme is the 2011 installation of the New York Times (NYT) paywall (The New York Times, 2011). According to Myllylahti (2014), the number of paywalls in the United States expanded fast, with 300 newspapers offering

paid online news material as of November 2012. At the beginning of 2013, several sorts of paywalls were prevalent among financial, national, and some local publications of quality (Arrese, 2016). According to Myllylahti (2014), variations have been adopted, including: hard/full paywalls that prohibit access to content without a subscription; soft paywalls that offer some free content; metered paywalls that limit the number of free articles; and 'freemium' paywalls that offer some free content and charge for premium content. In the early days of adoption, paywalls failed to provide significant income gains.

Myllylahti (2014) revealed that newspaper paywalls generated around 10 percent of publishing/circulation income for media businesses. Additionally, paywalls were weakening, and in some instances, costs were lowering, as news organisations competed for new digital customers and income. The study presented here is that the income produced by paid online news articles is insufficient to make paywalls a sustainable business model in the short-term. Olsen and Solvoll (2018) examined the adoption of paywalls in Norway's smaller, regional newspapers. Paywalls were used to favour current subscribers over "flyby" consumers without sacrificing traffic. It also included enhancing subscriber ties and moving print relationships to the digital space. In addition, Olsen and Solvoll (2018) observed that the paywall provided marketers with a more relevant audience and the capacity to collect user data, which allows for improved segmentation options and targeted advertising. To incentivize paying for information, news media firms have used several strategies, including some that are more "unbundled." Sindik and Graybeal (2011) polled undergraduate and graduate students at a big institution in the Southeastern United States using a brand loyalty measure to determine their general propensity to embrace micropayments. According to the research, brand loyalty enhances the possibility that users would accept micropayments for online publications.

1.2 Problem Statement

Kenya, as one of the acclaimed leaders in Africa when it comes to technology adoption, has had two of its leading news publishers – the Nation Media Group and the Standard Group launching paywalls in 2021, effectively becoming amongst the very first to do so in sub-Saharan Africa (Scire, 2021). While the paywall business model is slowly being embraced in Kenya media industry, online users have not fully adopted it,

making the registration or adoption happen at a slower pace (Chege, 2022). For instance, Nairobi-based Nation Media Group says it took it five months to get 200,000 users to register freely as of January 2021 (Nation Media Group, 2021).

However, most of these registrants do not pay for a rolling monthly or annual subscription (Maher, 2022). Maher further notes that the company, instead, is betting on users paying for daily access via micropayments on their smartphone as and when they need it – with 80 per cent of NMG’s subscribers going for this option. The low uptake – translating into only 20 per cent opting for the longer-term subscription plans - would, therefore, limit media options and significantly undermine the media’s ability to perform sustainably (Kenya National Bureau of Statistics, 2021; Nation Media Group Plc, 2021; Price Waterhouse Coopers; 2021). The effective reinvention of the news media business model is therefore critical for their survival as thriving businesses and sustainable delivery of their mandate to the people of Kenya. However, given its novelty, scholars have not comprehensively focused on the low adoption of paywalls in Kenya hence the availability of limited empirical literature on the same, going by review of related literature in Chapter Two. While there may be various factors explaining the low adoption of the news paywall among the consumers, an evaluation of literature reveals four - Economic Factors, Alternative News Sources, audience Characteristics and Media House Characteristics. How these factors would influence the consumer adoption of news paywalls has not received much research attention given the paywall is a new entrant in the Kenya media landscape (Kenya Editors' Guild, 2021). Media businesses in Kenya recognise the slow uptake of paywalls (Standard Group, 2021; Nation Media Group, 2021), but little empirical reasons for this reality has been provided. This study, therefore, seeks to investigate how the aforementioned factors influence the consumer adoption of the news paywall in Kenya.

1.3 Research Objectives

The general objective is to establish the factors influencing the consumer adoption of news paywalls in Kenya.

The specific objectives include:

- i) To establish the influence of economic factors on news users’ decision to subscribe to news paywall in Kenya.
- ii) To determine the extent at which availability of alternative news sources affect consumers’ decisions to adopt news paywalls in Kenya.

- iii) To establish influence of users' characteristics on the adoption of news paywall in Kenya
- iv) To determine the influence of media house characteristics on the user adoption of news paywall in Kenya

1.4 Research Questions

- i) What is the influence of economic factors on news users' decision to subscribe to news paywall in Kenya?
- ii) What is the extent at which availability of alternative news sources influence consumers' decisions to adopt news paywalls in Kenya?
- iii) What is the influence of users' characteristics on the adoption of news paywall in Kenya?
- iv) What is the influence of media house characteristics on the user adoption of news paywall in Kenya?

1.5 Significance of the Study

The sustainability of the news media in Kenya is a critical requirement for the survival and continued development of the country as a democratic nation. Given that the disruption from digital technologies has revealed systemic weaknesses, understanding the key determinants of the successful adoption of paywalls by news consumers may enhance the chances that the news media improve their business models and remain sustainable. The paywall, as a key plank of the subscriptions business model, is new in Kenya and both media practitioners and the public stands to benefit if early insights are developed to help increase the chances that paywalls succeed as an alternative source of sustainability for the news media.

Newspaper organisations will benefit from this study by gaining a better understanding of the threats and challenges that they currently face especially those arising from implementation of the paywall business model for their news outlet. This will allow these organisations to better adapt to themselves to the changing environment and audiences as a means of maintaining and growing their businesses and grow shareholder value.

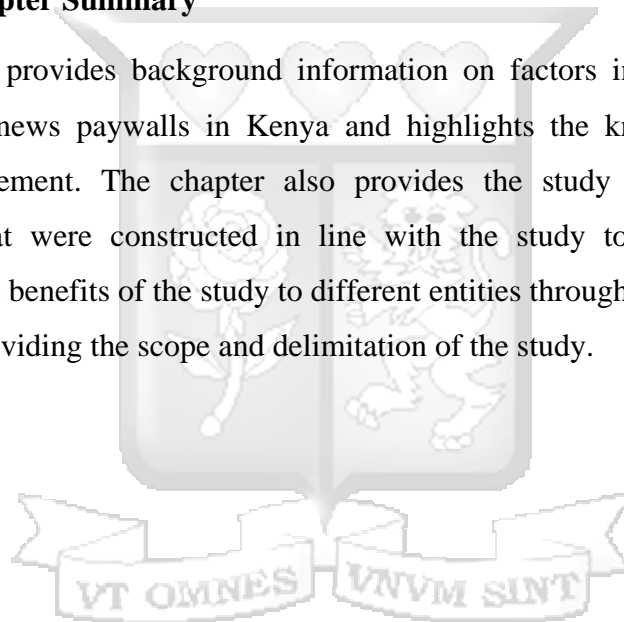
The study findings may also add to body knowledge given that they will act as reference materials for scholars that will be shared in educational journals, seminars, as well as spark further research and inform future studies in this field.

1.6 Scope of the Study

This study confines itself to establishing the factors influencing the consumer adoption of news paywalls by news consumers in Kenya. Although there may be other determinants of consumer adoption of paywalls, the study only looked at how economic factors, alternative news sources, audience characteristics and media house characteristics would influence the adoption of news paywall by news consumers. Further, the study does not explore any publisher-side factors except as perceived by the audience. The study was purely quantitative and targeted the news consumers in Nairobi County, who were administered with the questionnaires for a period of two weeks.

1.7 Chapter Summary

This chapter provides background information on factors influencing the consumer adoption of news paywalls in Kenya and highlights the knowledge gap through a problem statement. The chapter also provides the study objectives and research questions that were constructed in line with the study topic. Lastly, the chapter highlights the benefits of the study to different entities through significance of the study as well as providing the scope and delimitation of the study.



CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter presents academic work by various researchers on factors influencing the consumer adoption of news paywalls in Kenya. The chapter also discusses various theoretical frameworks, as well as providing empirical literature on study variables, conceptual framework and research gaps.

2.2 Theoretical Review

This study is anchored Uses and Gratification Theory as well as Reinventing Your Business Model. Both explain the factors influencing the consumer adoption of news paywalls in Kenya.

2.2.1 Uses and Gratifications Theory (U&G)

Uses and gratifications theory (U&G) is a user-centred philosophy of media usage that focuses on what people do with media, as opposed to what media do to people (Haridakis & Humphries 2019). They write that the uses and gratifications approach was first put forth by Blumler and Katz in 1974. First, that media use is perceived to be goal-directed. We know exactly where to find the information we need. The audience is fully aware of the type of media it is looking for. Second, that the audience is responsible for linking the type of media to fit their mass communication needs. The media itself does not look for an audience; instead, the audience chooses the media types that fulfil its needs. Third, that media competes with other sources for needs satisfaction. There are multiple ways to satisfy an audience's needs. Fourth, that modern media competes with more traditional media. And fifth, that the audience has a sense of self-awareness of its motives and needs that allows it to share its media experiences as active media users.

The above outlined elements are seen by the proponents of this theory to derive from five audience needs, thus; Cognitive needs are about knowledge attainment, effective needs are about emotions, personal integrative needs are about the need to socialize with others (e.g., family, friends, and co-workers), while social integrative needs are based on self-esteem. The uses and gratifications theory sees the media allowing audiences to compare self-status and gain credibility by comparing selves to people or

situations in the media, and tension free needs are about people using media to relieve tension in different ways.

The change to an online environment has provided audiences with new media options and, thus, new issues to investigate, which is why this study has opted for an audience-centered approach. Examining modern audience perspectives on how they use and value online news is crucial, since users are vital to a payment-for-content economy (Gorman 2015). Kamboj, (2019) claimed that the active audience notion is gaining respect among new media scholars as a result of the fact that evolving technologies allow users to choose from a broader variety of sources. The author argues that when new communication technologies emerge, the scope of U&G study broadens as well.

In U&G, individuals are considered as selecting media based on their expectations of need fulfilment and as actively participating in the process, as opposed to being passive receivers of media content (Haridakis & Humphries, 2019, p. 140). News consumers are seen as generally purposeful and goal-oriented. Not all audiences are active consumers of media, though. For instance, the orientations outlined by Haridakis and Humphries (2019) span from passive to proactive, from diverting to utilitarian, and from ritualistic to instrumental. Cross-media phenomena have been the focus of a subfield of current U&G research, especially as news consumption transitions online.

This shift online emphasizes the convergence phenomenon, which disrupts the conventional boundaries between media (Bjur et al. 2013). The arrival of new news sources has produced a complicated media landscape, according to Weaver, Willnat and Wilhoit (2019) who researched the news habits of college students in the United States in an online setting. They found that the new media environment offered a variety of options for college students to get their daily news fix, resulting in the development of diverse news consumption behaviors. Specifically, the divide between print and broadcast media that has garnered so much attention from communication experts may no longer exist, at least among the college students (Weaver, Willnat and Wilhoit, 2019). The traditional news media foster online news consumption by directing their viewers to websites, which encourages individuals to use the Internet for news. The most popular internet outlets are 'powered' by information from traditional news sources. The persistence of news habits and the cross-pollination of these habits across media platforms may thus result in the emergence of new consumption patterns alongside the continuation of older ones.

Schroder (2015), using the U&G viewpoint, centered his news study on how Danish citizens and consumers navigate the current multimodal, mediated news landscape: "We consider people to be shopping in the 'supermarket of news,' hence selecting news media from the shelves and placing them in their daily, weekly, or monthly' shopping carts' based on what they think important, useful, or pleasant, what they have time for, what they can pay, etc." (Schroder, 2015, p. 61). According to Schroder (2015), individuals use cross-media news repertoires to access a variety of sources for enlightenment and amusement. Bjur et al. (2013) stated that new patterns of cross-media usage are much smoother, hybrid, and complicated than in the past. Users of emerging convergent media (such as the Internet and cellphones) may be able to utilise the same medium for multiple purposes.

In anchoring the present study of establishing the factors influencing the consumer adoption of news paywalls in Kenya, this theory assists in analysing and understanding modern news consumption and how news audiences have more autonomy over what they consume due to changes in news supply and demand. The theory, further, helps explain the audience motives towards news consumption. Owing to these factors, the necessity for researchers and news professionals to comprehend news viewers and the factors that influence their news selections in the modern news environment is a growing one. Moreover, the U&G theory through its basic assumptions that there exists an active and motivated audience, helps in explaining how the audience exercises a choice in selection of news source and that their choice must be seen to be competitive and reliable.

2.2.2 Reinventing the Business Model

A business model is a representation of how a business creates and delivers value for a customer while also capturing value for itself, doing so in a repeatable way (Blackhurst, 2013). The Reinventing Your Business Model has been promoted by Johnson, Christensen and Kagermann (2020), and holds that, first, businesses need to understand their current business model well enough to know if it would suit a new opportunity or hinder it, and second, they should know how to build a new model when they need it.

Drawing on their vast knowledge of disruptive innovation and experience in helping established companies capture game-changing opportunities, consultant Johnson, Harvard Business School professor - and father of the disruptive innovation theory -

Christensen, and SAP co-CEO Kagermann set out the tools that executives need to do both. They hold that when you deconstruct any business model, four distinct yet interdependent elements emerge. That is the Customer Value Proposition (CVP), key resources, key processes, and a profit formula. These four interlocking elements, taken together, create and deliver value (Johnson, Christensen & Kagermann, 2020). They further hold that of the four, the first one – CVP – is the most critical. This study used CVP as perceived by news consumers to help test factors influencing paywall adoption. The model’s promoters proffer that a CVP helps customers more effectively, reliably, conveniently, or affordably solve an important problem (or satisfy a job-to-be-done) at a given price.

While there has been criticism on the centrality of business models, such as the study that analysed major innovations within existing US corporations in the past decade finding that precious few have been business-model related (Filser, et al., 2021), a 2015 survey by the Economist Intelligence Unit (EIU) reported that over 50% of executives believe business model innovation will become even more important for success than product or service innovation.

The EIU results echoed a 2008 IBM survey of corporate CEOs (Schaller, & Vatananan-thesenvitz, 2019). Nearly all of the CEOs polled reported the need to adapt their business models; more than two-thirds said that extensive changes were required and in the prevailing tough economic times, some CEOs were already looking to business model innovation to address permanent shifts in their market landscapes. Figure 2.1 below illustrates the interlinkages between the four key elements of a business model.

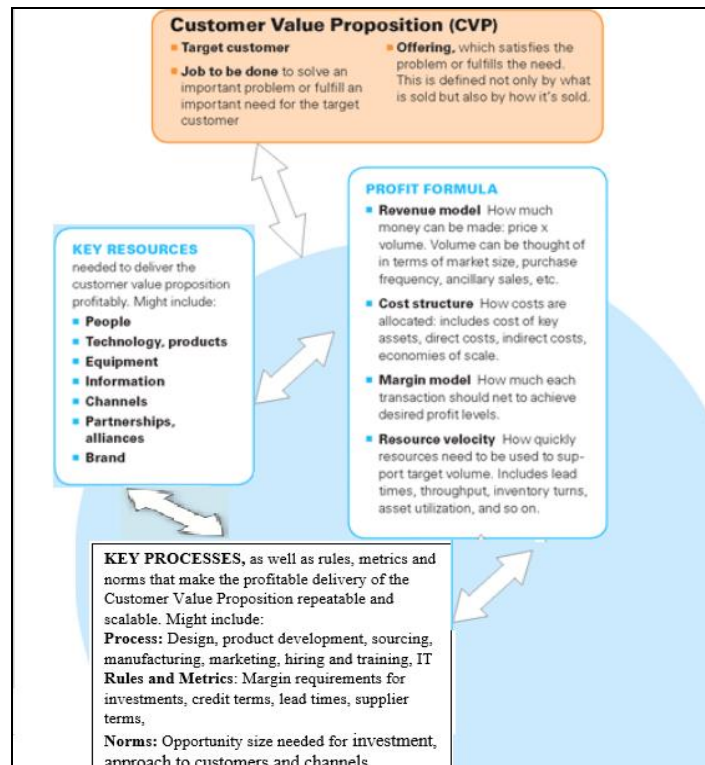


Figure 2.1: Elements of a Successful Business Model (Johnson, Christensen & Kagermann, 2020)

As simple as this framework in Figure 2.1 may seem, its power lies in the complex interdependencies of its parts. Major changes to any of these four elements affect the others and the whole. Successful businesses devise a more or less stable system in which these elements bond to one another in consistent and complementary ways.

Ultimately, of interest to this study, is that the perceived value is what may motivate news consumers to adopt paywalls. The model, therefore, anchors the study by presenting an understanding of how price and availability disposable income interplay with user assignment of value on news sources leading to their willingness or otherwise to pay for news.

2.3 Review of Empirical Literature

2.3.1 Economic Factors and Adoption of News Paywalls

Studies show that a number of economic factors come into play in the context of news paywalls. In Norway, a research determined that the average short-term effect of a paywall is negative and between 3 and 4%, while the long-term effect is between 9 and 11%. Additionally, the major news organization in its market faces greater repercussions than the other news organizations. After implementing a paywall, the major news providers see a 13 to 15% decline in long-term demand, whilst the rest

experience an 8 to 11% decline. The timing of the introduction of a paywall does not seem to significantly alter the demand response (Skjeret, Steen & Wyndham, 2019). Given the prevalence of free content on the Internet, Chiou and Tucker (2013) discovered that news media organizations face new challenges regarding how to manage access to and the pricing of their content, making it unclear whether content should be free or whether customers should pay via a "paywall." Chiou and Tucker used experimental variation from a media publisher's field test of paywalls to analyze demand for online news across different local media markets. They found a 51% decline in visits after the implementation of a paywall, with a much higher decline among younger readers.

They did not assess individual consumption of other types of digital media, therefore this hypothesis is provided with caution. Despite vast variances in print news consumption, governmental interference, internet news usage, and social media news access, these results are applicable to all six nations to varied degrees.

Jere's and Borain's finding that individuals with a reference price for offline news that is more than zero are more willing to pay for it online is generally consistent with other studies on reference pricing. However, their second conclusion contradicts research indicating that people who have access to a free alternative are less likely to choose a more costly one (Jere & Borain, 2018). However, in a sense, this has always been the case for news, since the arrival of advertising-supported commercial television arguably marked the beginning of a culture of free. In certain instances, this corresponded with declines in print circulation, but for the most part, consumers continued to purchase newspapers despite the availability of a free alternative that was mostly comparable (Brock 2013). A research of news consumers in six nations (France, Germany, Japan, Spain, the United Kingdom, and the United States) revealed that paying for offline news improves the possibility of paying for internet news since it helps establish a reference price above zero. However, the consumption of free online news from public service media does not generate a zero-reference price for online news (Fletcher & Nielsen, 2017).

In their study on willingness to pay for online news, Chyi (2016) explains that since no business models appear to generate reliable revenue streams for online news services, many publishers view the subscription model as a last resort for survival, despite the fact that several studies have proven that consumers tend to see a price as unfair when digital items offered online are priced similarly to those sold via conventional channels

(Suter & Hardesty, 2017). Consumers feel that the prices of things supplied online should be cheaper. Younger individuals are more likely to have a reference price above zero for other types of digital media, which is positively related with paying for news, according to prior research (Goyanes 2014).

The income of the audience may also affect the adoption of paywall news, as a higher level of consumer income may increase the subscription and registration intent and willingness to pay for online news. Chyi (2016) discovered that relatively few people really reacted to paid material, and the majority had no plans to pay in the future. The hierarchical regression study revealed that age, income, and newspaper usage are connected to paying intent. Before adopting the subscription model, online publishers may weigh the financial ramifications.

2.3.4 Alternative Sources and Adoption of paywall news

Free websites, social networks and blogs that conveniently provide news to online customers may also impact their willingness to pay for online news. In its 2016 Digital News Report, the Reuters Institute described the continuous trend of younger generations adopting social media and blogs to obtain the news. In their sample, more than half of respondents accessed news through social media weekly, and 12% used it as their major source, with Facebook being the most popular site (Newman et al., 2016). This tendency suggested several intriguing advantages. Due to their algorithm-driven nature, news consumption on such platforms has been linked to negative effects such as the facilitation of filter bubbles and echo chambers, but the opposite has also been found to be true in that users are exposed to unusual sources that challenge their political beliefs (Flaxman, Goel and Rao, 2016). Similar results were seen for the consumption of news through search engines (Fletcher & Nielsen, 2018). However, in their two most recent Digital News Reports, Newman et al describe how consumers are shifting to the more private communication arena of messaging applications like Messenger and Whatsapp (Newman et al., 2017; Newman et al., 2018). This trend is believed to be caused by a confluence of factors culminating in the decline of news material uploaded and shared on Facebook in particular. One explanation is because the open nature of such platforms allows for unwelcome, poisonous conversations, and as a result, viewers have shifted to platforms where they have greater control over the material they engage with and by whom.

Traditional media, according to Cozzolino, Corbo and Aversa (2021) are competing with content providers whose business model is based on the number of users and

visits, regardless of the quality of the material offered. Facebook's algorithm modifications over the last couple of years, which have progressively placed "friends and family at the centre of the experience," have also contributed to a dramatic decline in news site traffic from Facebook (Zuckerberg, 2018). Via addition to the apparent lack of control that traditional news companies have over the dissemination of their content in such channels, there are further consequences that in a broader sense also apply to messaging applications.

It has been shown that readers who arrive at news sites through digital intermediaries such as social media and search spend less time on the site and are less likely to return (Mitchell & Jurkowitz, 2014). This indicates that both the news filtering power and the pay to the publishers, who are often heritage news brands, are diminishing (Matsa & Shearer, 2018). In addition, according to a survey conducted in the United Kingdom, the majority of the 1,500 respondents remembered how they obtained a news piece, however fewer than half could recall the news brand that produced the material (Newman et al., 2017). The same research revealed that the platform, rather than the publisher, typically obtains credit for breaking news items, further diminishing their attribution and notoriety.

The availability of free websites may also influence a person's willingness to pay for content behind a barrier. The Internet has reinforced a culture of free content, in which consumers have free access to information and a rising aversion to paying for material (Chi and Yang 2019). The percentage of readers ready to pay for online news information is between 10 and 15 percent, according to many surveys that have not found an increase in this number over the last few years (Price Waterhouse Coopers, 2021; Reuters Institute Oxford University, 2011-2016). If their favorite website chose to charge for news material, 74% of consumers would seek out other free access methods (Jere & Borain 2018). This tendency has been bolstered by the web 2.0, whose logic is centered on collaboration and cooperation and often disregards the idea of intellectual property when sharing the information of others.

Fletcher, Cornia and Nielsen, (2020) examined a differentiation-related problem with the apparent substitutability of print and online versions. Their findings reveal that online editions were not adequate alternatives to their print counterparts within online- or print-dominant majorities. Fletcher, Cornia and Nielsen, (2020) recognizing the influence on desire to pay for material, stated that publishers should not expect readers

to pay for a superior reading experience if a superior, free or less expensive internet option is easily accessible.

Similarly, Flavián and Gurrea (2019), using a methodology based on uses and gratifications, revealed motivational drivers of the perceived degree of substitutability between the digital and conventional press among audiences. Within the confines of their narrowly focused study, Flavián and Gurrea (2019) concluded that the desire for fresh news was negatively associated with perceived substitutability, whereas exposure motivations centered on leisure or habit were associated with greater perceived substitutability between digital and print channels. The research also revealed that the reader's perceived degree of substitutability between the digital and conventional print press increases in proportion to the reader's desire for particular information.

Also, Buschow and Wellbrock (2019) examined the willingness of users of an online clip-art service to pay for this material. However, awareness of free alternatives was negatively associated to the probability of adopting paywall services. In addition, the research indicated that brand familiarity was strongly associated to the likelihood of payment, while brand strength was not. Macedo, (2020) discovered that the free nature of online services is one of the most valued criteria when accessing a website, and that it is difficult to change the perception on the need to pay for a service that users have consumed for free since its inception, although a percentage is willing to pay for the best services. Other writers, such as Chyi and Yang (2019), demonstrate that online news items are judged to be less helpful or desired than printed news, and that many customers do not necessarily consume what they like, but rather what is available for free. Users who are prepared to pay would do so if the material is valuable, not freely accessible online, and the payment procedure is easy and appropriate.

2.3.5 User Characteristics

Uniqueness of content mitigates the loss of digital advertising income while enhancing digital subscription revenue when digital demand declines (Chung, Kim, & Song, 2019). In general, the success of a digital paywall varies based on both the source and the route of revenue for media companies with distinct features. Independent of age, readers with a paid membership demonstrate a higher level of activity, better engagement, and more diversified use than newly recruited readers with a free subscription. Observing customers with free subscriptions over time reveals that their behaviour is mostly negative, with a lower level of activity overall. Young members

with short-term accounts have the lowest level of engagement, regardless of the metric used (Wadbring & Bergstrom, 2021).

Sjvaag (2016) discovered that newspapers who give certain material for free while keeping other information behind a barrier are more likely to put content of local significance behind the gate while leaving more generally relevant news, such as "wire copy" news and syndicated content accessible to everybody. This is consistent with the findings of Kim et al. (2018), who quantify this phenomenon and discover that newspapers with more original content tend to perform better after the rollout than newspapers with more common material. Hognaland and Saebi (2015) examine the qualitative determinants of business model selection (paywall, partial paywall, freemium, etc.) in Norwegian newspapers. An intriguing conclusion of this article is that experimenting had a significant influence in the selection of business models by news outlets. Consequently, understanding about the impacts of implementing paywalls was likely limited at the time of implementation.

Goyanes (2014) also conducted an empirical investigation into the elements that determine the propensity to pay for online news. Goyanes, using a random sample of 570 US people from the Pew Research Center, provided light on the elements that impact willingness to pay for internet news by using the theory of the economics of information. Goyanes (2014) found links between paying intent and predictor factors such as demographics (age and income), purchase of other digital items (online movies or television material, software programs, eBooks, and apps), and media consumption. However, independent factors like gender (demographics), video games, and music files (other digital product purchases) were not statistically significant.

In their investigation of variables impacting audience visits to paid-content websites, Wolk and Theysohn (2016) provided a novel, bridging method that incorporated demand-side impacts. Using a model that incorporated both structural (business model; domestic vs. international competitive structure) and non-structural (content uniqueness; website "visibility"; ease of navigation) components, Wolk and Theysohn determined that distinct sets of factors influenced their two measures of traffic, audience size (number of visitors) and depth of use (i.e., page views per visitor). Unfortunately, factors pertaining to the satisfaction of audience requirements – which are most pertinent to the present issue – were not operationalised from an audience viewpoint. In other words, prospective impacts, such as content quality, novelty,

relevance, level of personalisation, branding, website reputation, etc., were measured using metrics that were not dependent on audience observation.

2.3.6 Media House Characteristics

Although customers may get some information for free, it is possible that they might be prepared to pay if the service quality were much superior (Ross, Lester & Konkes, 2021). News quality may be judged from either a content or an audience standpoint (Bachmann, Eisenegger, & Inghoff, 2021). According to a research conducted by the Association of Online Publishers (2012), customers seem to be more prepared to pay for information they perceive to be of greater quality, unique, and better able to satisfy their emotional requirements.

Using the uses and gratifications (U&G) method, Macedo (2020) also investigated the variables impacting the willingness to pay (WTP) of young Canadian people for digital journalistic/news material. U&G is a user-centered approach to investigating how individuals utilize media to suit their wants and desires. Using semi-structured interviews with 13 participants between the ages of 18 and 34 as a method of data collection, it was determined that the willingness to pay for online journalism/news content is currently low, although some participants are willing to pay for online news that they consider to be unique or of sufficient quality. Those opposed to paying cite the lack of exclusivity of internet news as the primary factor. Participants looked more inclined to pay for digital media than journalism and news, such as Netflix.

The news brand might also be a factor in the decision to pay for online news. Despite being intertwined with the news content itself and the practical advantages, a news brand is something more: it provides a guarantee of reliability and quality assurance (Bürigi, 2021). Bürigi argues that it was especially remarkable in the United States because some individuals pay for a respected news brand in order to avoid clickbait and false news. Regardless of market, though, some individuals pay for internet news because they love the familiarity of the brand; it is a part of their daily routine. A print membership may have passively moved to internet access, either as a supplement to print or as a substitute for it. Bodó finds that a news brand might also be a factor in the decision to pay for online news. Despite being intertwined with the news content itself and the practical advantages, a news brand is something more: it provides a guarantee of reliability and quality assurance (Bodó, 2019). It was especially remarkable in the United States because some individuals pay for a respected news brand in order to avoid clickbait and false news. Regardless of market, Goyanes, Artero, and Zapata

(2021) found in their study that some individuals pay for internet news because they love the familiarity of the brand; it is a part of their daily routine.

Paywalls are a recent consideration. Aduda (2016) found that media convergence had affected advertising, circulation, and reduced profitability of the media houses. Its recommendations included multiskilling of journalists to enable them work across all platforms to reduce operational costs, content sharing with other media houses especially those at the counties, syndicating premium content and adopting new advertising models such as native advertising and changing recruitment policies and procedures to align with the media convergence.

It can be deduced therefore that the audience's perception of a media house is informed by the quality of journalism products that it consistently puts in the news market. And that this is further influenced by the media house's organisational culture, as informed by the professional standards of its journalists and/or staff.

2.4 Summary of Research Gaps

Table 2.1: Summary of research gaps

Author (Year Published)	Title	Findings	Research Gaps
Aduda (2016)	Impact of media convergence on corporate performance of media organizations in Kenya	Media convergence in Kenya affected advertising, circulation, and reduced profitability of the media houses	The context does not include a paying audience, even as it explains reduction in media house revenues.
Chiou and Tucker (2013)	Paywalls and the demand for news	Paywalls result in a 51% decline in visits, with a much higher decline among younger readers.	Appears to misalign with Skjeret, Frode, and Wyndham (2019) below on intensity of decline.

Chyi and Yang (2019)	Is Online News an inferior good? Examining the economic nature of online news among users	Users who are prepared to pay would do so if the material is valuable, not freely accessible online, and the payment procedure is easy and appropriate.	Interested in geographic and time horizon validation.
Cozzolino, Corbo and Aversa (2021)	Digital platform-based ecosystems: The evolution of collaboration and competition between incumbent producers and entrant platforms	Traditional media are competing with content providers whose business model is based on the number of users and visits, regardless of the quality of the material offered.	Need to test perceived news brand power in Kenya in influencing news source choice and its resilience when challenged with a paywall
Jere & Borain (2018)	Willing seller, unwilling buyer: Factors influencing intention to pay for online news in South Africa	It is untrue that people who have access to a free alternative news source are less likely to choose a more costly one. If their favourite website chose to charge for news material, 74% of consumers would seek out other free access methods	Seeking validation with a Kenyan audience

Ladson & Lee (2017)	Persuading to Pay: Exploring the What and Why in Crowdfunded Journalism	Individuals are prepared to pay for remarkable news items on crowd-funded platforms	Test if other forms of audience revenue is preferred to paywalls
Macedo (2020)	Netflix or News? An Examination of Young Canadians' Appetite to Pay for Online Journalism	News brand familiarity was strongly associated to the likelihood of payment, while brand strength was not.	Seeking revalidation in a Kenyan context
Myllylahti (2014)	Newspaper Paywalls — the Hype and the Reality	Paywalls get porous and prices go down as news publishers compete for digital subscribers	Seeking revalidation in a Kenyan context
		The success of paid online news material in various nations may be influenced by cultural variations, reading habits, and print loyalty	To test important audience characteristics

Newman et al. (2017)	Reuters Institute Digital News Report	A majority of the 1,500 respondents remembered how they obtained a news piece, however fewer than half could recall the news brand that produced the material	Test audience affinity to news brands
Olsen and Solvoll (2018)	Bouncing off the Paywall – Understanding Misalignments Between Local Newspaper Value Propositions and Audience Responses	Paywalls were used to favour current subscribers over "flyby" consumers without sacrificing traffic	Investigate differences in user experience as perceived by paying versus non-paying audiences
Sindik and Graybeal (2018)	Newspaper Micropayments and Millennial Generation Acceptance: A Brand Loyalty Perspective	Brand loyalty enhances the possibility that users would accept micropayments for online publications	Test audience affinity to news brands

Sjøvaag (2016)	Introducing the Paywall	Newspapers who give certain material for free while keeping other information behind a barrier are more likely to put content of local significance behind the gate while leaving more generally relevant news, such as "wire copy" news and syndicated content accessible to everybody.	Local news publishers rarely use wire copy, except for international news.
Skjeret, Frode, and Wyndham (2019)	Paywalls and the demand for online news	Paywalls result in steeper readership falls amongst major news brands. Major news providers see a 13 to 15% decline in long-term demand, whilst the rest experience an 8 to 11% decline.	Appears to misalign with Chiou and Tucker (2013) above on intensity of decline.
Wadbring & Bergstrom (2021)	A Print Crisis or a Local Crisis? Local News Use over Three Decades	Young members with short-term accounts have the lowest level of engagement, regardless of the metric used.	Assess adoption of paywalls by young users

2.5 Conceptual Review

The advent of digital media has prompted media organizations to explore paywalls as a means of monetizing their content as discussed in the background to this study (Vara-Miguel, Martín, & Díaz-Espina, 2014). Understanding the factors that influence customer adoption of paywalls is, therefore, crucial for media organizations to effectively implement this revenue model. This conceptual review aims to provide an overview and synthesis of existing research discussed above on the key factors that shape news customer decisions regarding paywall adoption. A synthesis of available literature has categorised the factors into four broad groups - economic factors, availability of free alternative news sources, user characteristics, and media house characteristics - as independent variables in the Kenya context, and therefore the focus of this conceptual review.

2.5.1 Economic Factors

Research suggests that economic factors play a significant role in customer adoption of paywalls (Akinfemisoye & Deffor, 2013). Price is a critical variable, as higher subscription fees or pay-per-view costs may deter customers from adopting paywalls. Conversely, lower prices can increase adoption rates. Income levels are also likely to impact adoption, as individuals with higher disposable income may be more willing and able to pay for digital news content. The review highlights the importance of conducting pricing strategies that align with customers' price sensitivity and affordability.

2.5.2 Availability of Free Alternative News Sources

The availability of free alternative news sources has been established as a key factor influencing paywall adoption (Newman et al., 2016; Flaxman, Goel & Rao, 2016; and Fletcher & Nielsen, 2018). With the proliferation of free content on websites, social media platforms, and blogs, customers have readily accessible alternatives to paid news. The study emphasizes the impact of the perceived quality, diversity, and convenience of these alternatives on customers' willingness to adopt paywalls. Understanding customers' preferences for free versus paid content and the factors that make free alternatives appealing is essential in developing effective paywall strategies.

2.5.3 User Characteristics

Individual user characteristics have been found to influence paywall adoption (Bjur et al. 2013, and Chung, Kim, & Song, 2019). These include content preferences, which play a significant role, as customers who highly value the specific content offered behind paywalls, such as specialized or premium journalism, are more likely to adopt paywalls. Additionally, variables such as gender and education may shape customers' perceptions and behaviours related to paid news content. The study highlights the need to consider user segmentation based on these characteristics to tailor paywall offerings and engage different customer segments effectively.

2.5.4 Media House Characteristics

Media house characteristics encompass factors related to the news organization itself. The quality of content produced by the media house, including credibility, accuracy, and relevance, is crucial in driving customer adoption of paywalls (Sindik and Graybeal, 2018; Haridakis & Humphries, 2019; and Bodó, 2019). Strong brand equity and reputation also influence customers' trust and willingness to pay for access to content. The review emphasizes the significance of establishing public trust in the media house through transparency and editorial independence. Media businesses may find value building a strong brand and delivering high-quality content to enhance the value proposition of paywalls (Johnson, Christensen & Kagermann, 2020).

2.5.5 Conceptual Framework

Framework is a diagram depicting how the study variables, specifically, the predictors (independent) and outcome (dependent) variables, are interrelated. The conceptual framework for this study is based on the researcher's evaluation of views from various other researchers regarding steps for selecting study indicators (Bass, & Caro, 2021). Specifically, indicator selection adopts a sequential reasoning to identify, select and develop. Thus, consideration is made on the literature reviewed to identify predictors of adoption of news paywall.

Further, a systematic review using narration for economic factors, availability of alternative news sources, users' characteristics and media house characteristics on the user adoption of news paywall in Kenya. Arrows are used to depict the direction of effects thus specifying which variable explains the other. In this study, the predictors variables are economic factors, availability of alternative news sources, users'

characteristics and media house characteristics, influence the adoption of news paywall in Kenya.

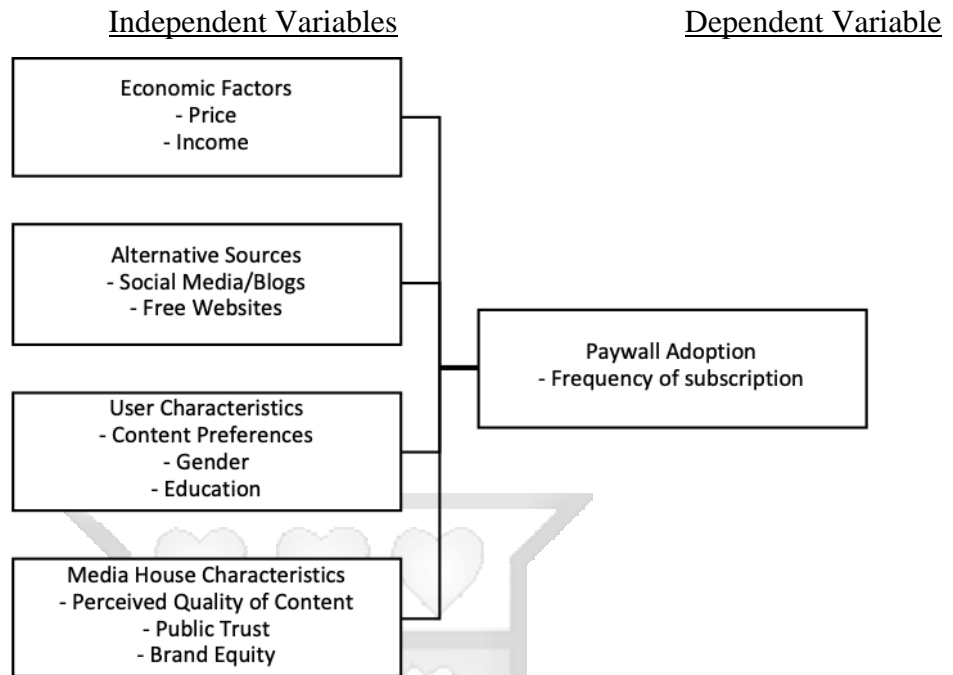


Figure 2.2: Conceptual Framework

Source: Researcher (2023)

The framework in Figure 2.2 illustrates that independent variables are economic factors, availability of alternative news sources, users’ characteristics and media house characteristics. These are factors (independent variables) influencing the adoption of the news paywall in Kenya and based on the framework, these independent variables have a direct correlation with the adoption of the news paywall in Kenya (dependent variable). It is therefore safe to say that the framework exhibits a direct relationship between the variables.

2.5.6 Theoretical Underpinnings

Integrating the U&G and the Reinventing the Business Model concepts provides a deeper understanding of news customer motivations and the strategic implications for media businesses:

a) Uses and Gratifications Theory

- Uses and Gratifications Theory suggests that individuals actively seek out and consume media to fulfil specific needs and derive gratification from the

media content. Integrating this theory into the conceptual review allows us to examine how customers' motivations and gratifications influence their adoption of paywalls (Haridakis & Humphries 2019).

- **Content Preferences:** Understanding news customers' content preferences aligns with Uses and Gratifications Theory, as it acknowledges that individuals are intentional, hence select and engage with media that caters to their specific interests and needs. By considering customers' motivations for consuming news content, media organizations can align paywall offerings with these preferences, offering specialised or premium journalism that fulfills their specific information needs.
- **Gratifications:** Uses and Gratifications Theory identifies various gratifications sought by media consumers, such as entertainment, information, social interaction, or personal identity expression (Haridakis & Humphries, 2019). Paywall adoption may be influenced by the perceived gratifications customers expect from paid content, such as in-depth analysis, exclusive interviews, or access to a community of like-minded individuals. Understanding these gratifications helps media organizations design paywalls that deliver value and align with customers' desired experiences.

b) Reinventing the Business Model

- The concept of Reinventing the Business Model offers insights into the strategic implications for media organizations in implementing paywalls. This theory emphasizes the need for businesses to adapt and transform their business models to address emerging market dynamics and changing customer behaviours (Johnson, Christensen, and Kagermann, 2020).
- **Value Proposition:** The theory highlights the importance of understanding and delivering unique value propositions to customers. Media organizations need to identify and communicate the distinctive value of paywalls, articulating how they meet customers' needs better than free alternatives. By aligning the paywall value proposition with customers' desired outcomes and gratifications, media organizations can effectively differentiate their offerings and increase adoption.

- **Business Model Innovation:** Reinventing the Business Model encourages media organizations to explore innovative approaches to monetising content. News paywalls can be seen as a business model innovation that offers a potential revenue stream in the digital era. Indeed, its feasibility has been proven in other markets (Bürigi, 2021). By embracing this shift and strategically designing the paywall model, media organizations can adapt to changing market dynamics, technological advancements, and evolving customer expectations.
- **Customer-Centricity:** The model emphasises the importance of putting the customer at the centre of business model design. Media organisations need to deeply understand their target audience, their preferences, and their willingness to pay for specific content. By adopting a customer-centric approach and continuously refining the paywall model based on customer feedback and market insights, media organisations can enhance adoption rates and overall business performance.

By integrating Uses and Gratifications Theory and Reinventing the Business Model into the conceptual review, the study gains a more nuanced understanding of the factors influencing customer adoption of paywalls. This integration can help media businesses align their paywall strategies with customers' motivations, preferences, and desired gratifications while strategically reinventing their business models to thrive in the digital media landscape.

In conclusion, this conceptual review provides a comprehensive overview of the factors influencing customer adoption of paywalls in the digital media landscape in Kenya. By considering economic factors, availability of free alternative news sources, user characteristics, and media house characteristics, media businesses can gain insights into customer preferences, motivations, and barriers related to paywall adoption. The conceptual review emphasises the importance of conducting research to understand the interplay between these factors and their collective impact on customer behaviour. Implementing effective strategies that align with customers' expectations, value perceptions, and financial capacities can lead to successful paywall adoption and sustainable revenue models in the evolving digital media environment.

2.6 Operationalization of Variables

Table 2.2: Operationalisation of Variables

Objectives	Independent Variables	Measurements	Dependent Variables	Measurements
To establish the influence of economic factors on news users' decision to subscribe to news paywall in Kenya.	Economic factors	<ul style="list-style-type: none"> ▪ Pricing ▪ Income 	Subscription to news paywall	Subscription rate
To determine the extent at which availability of alternative news sources affect consumers' decisions to adopt news paywalls in Kenya.	Alternative news sources	<ul style="list-style-type: none"> ▪ Social media and Blogs ▪ Free websites 	Adoption of news paywalls in Kenya	Rate of adoption
To establish influence of users' characteristics on the adoption of news paywall in Kenya	Users' characteristics	<ul style="list-style-type: none"> ▪ Preference ▪ Gender ▪ Education 	Adoption of news paywalls in Kenya	Rate of adoption
To determine the influence of media house characteristics on the user adoption of news paywall	Media house characteristics	<ul style="list-style-type: none"> ▪ Quality ▪ Trust ▪ Brand 	Adoption of news paywalls in Kenya	Rate of adoption

in Kenya				
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2.7 Chapter Summary

This chapter has reviewed the theoretical and empirical literature to establish a research gap in the context of paywall implementation by news publishers in Kenya. It proceeded to outline a conceptual framework that guided the study.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the various methodologies used in conducting the study. It describes the research paradigm that guided the study, research design, study population, sample size, sample frame, data collection methods, validity, and reliability of the research instruments to be used. It also highlights data collection procedures and the techniques for data analysis and ethical considerations that were followed and considered by the study.

3.2 Research Philosophy

The advent of the digital era has challenged traditional revenue models for online publishers, leading many to implement paywalls as a means of monetising their content as seen in Chapter Two. Understanding the factors that influence consumer adoption of paywalls is crucial for publishers and media businesses generally to help them to design effective strategies for growth and sustainability. This study adopted philosophical assumptions and principles that guide a quantitative study on the factors influencing consumer adoption of paywalls.

3.2.1 Ontological Perspective

This study aligns with a positivist ontological perspective, assuming that there is an objective reality that can be measured and understood through empirical observation. It acknowledges that consumer behaviour and the factors influencing their adoption of paywalls can be quantified and analysed. A positivist approach holds that the researcher be independent of the research and that the research can be purely objective (Wilson, J., 2010). Independent means that researcher maintains minimal interaction with research participants. Studies with positivist paradigm are based purely on facts and consider the world to be external and objective (Collins, H., 2010).

3.2.2 Epistemological Perspective

A positivist epistemological perspective was adopted for this study, emphasising the objective nature of knowledge acquisition. It posits that reliable knowledge can be obtained through systematic collection, analysis, and interpretation of quantitative data

(Wilson, J., 2010). The study seeks to identify generalisable patterns and relationships between variables to provide insights into behaviours of news consumers.

3.2.3 Methodological Approach

This study adopted a quantitative research approach, utilising numerical data to investigate the factors influencing consumer adoption of paywalls. It aims to measure and quantify the relationships between variables through statistical analysis, enabling the identification of significant predictors and their impact on adoption (Collins, H., 2010).

3.3 Research Design

Patton (2002) asserts that research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose. This study adopted both descriptive survey as well as correlation research design. This is because, descriptive survey research design enables the researcher to analyse facts and helps in developing an in-depth understanding of the research problem. Another benefit of descriptive research is that it enables the researcher to determine the behaviour of people in a natural setting.

The study was also guided by correlation research design. Correlational research is a type of non-experimental research in which the researcher measures two variables and assesses the statistical relationship (i.e., the correlation) between them with little or no effort to control extraneous variables (Asenahabi, 2019). In the present study, this design helped in explaining the relationship between economic factors such as price of the news and income of the news consumers, availability of alternative news sources, user characteristics and media house characteristics and the adoption of news paywalls. Specifically, this correlation design can be used to describe the strength and direction of the relationship between two variables and if there is a relationship between the variables then the researchers can use scores on one variable to predict scores on the other (using a statistical technique called regression). Another reason that justifies the choice of correlation design is that the statistical relationship of interest is thought to be causal, but the researcher cannot manipulate the independent variable because it is impossible, impractical, or unethical (Asenahabi, 2019). This reality obtains in the current context as the researcher cannot trigger consumers to pay for news.

3.4 Population and Sampling

3.4.1 Target Population

A population is an entire group of individuals, events or objects having a common observable characteristic (Jwan & Ong'ondo, 2011). The study targeted news consumers with smartphones within Nairobi County. Currently, the penetration level of smartphones in Nairobi County stands at 53.4%, translating to about two (2) million smartphones owners, who are able to access online news through various platforms (KNBS, 2020).

3.4.2 Sampling

Given that the sample frame for the news consumers with smartphones and can access online news are about two million, the study used Fischer formula to calculate the sample size of respondents as shown.

$$n = \frac{N}{1 + N(e)^2}$$

Where: n is the sample size, N is the population size and 'e' is the level of precision which was 0.05.

$$n = \frac{2,000,000}{1 + 2,000,000(0.0025)}$$

$n=400$ online news consumers in Nairobi County

From the randomised sample of 400 news consumers in Nairobi County, the study used cluster sampling by dividing the 400 by 17 sub-counties to get approximately 23 per sub-county. Cluster sampling technique is preferred because it enables the study to cover the entire Nairobi County efficiently as respondents are picked from every sub-county.

3.5 Data Collection Methods

The study used a questionnaire as data collection instrument. The questionnaire is convenient for data collection in this study because it facilitates easy and quick collection of information from the respondents within a relatively short time and guarantees anonymity (Johnson & Christenson, 2017). In addition, Kothari & Garg (2014) maintain that a questionnaire is free from interviewer bias since it provides the respondents ample time to respond to the items according to their understanding. It also provides a sense of security and confidentiality to the respondents of their responses. The questionnaire (Appendix 2) was used to collect quantitative data from the 340

news consumers with smartphones in Nairobi County. It was used to obtain quantitative data about the factors influencing consumer adoption of news paywalls in Kenya. The questionnaire was developed in line with the objectives of the study to bring out information from the respondents that answered the research questions. Section A sought respondents' demographic data; Section B collected data on number of subscribers and rate of subscription; Section C focusses on economic factors that influence paywall adoption, Section D focused on availability of alternative news sources, Section E tested the extent to which audience characteristics are important, while Section F assessed the importance of media house characteristics.

3.6 Research Quality

3.6.1 Validity of the Instruments

Nachmias and Nachmias (2008) avers that validity is the degree to which an instrument accurately measures what it is intended to measure. For the instrument to be regarded legitimate, the information selected and incorporated in its tools must also be pertinent to the researched variables. Cohen, Manion, and Morrison (2017) argue that research instruments typically have several flaws that might compromise the validity of their conclusions. These may include biases, systematic mistakes, or random errors in the results. While acknowledging that it is very difficult to defend a research instrument against bias and random mistakes, the researcher tried to circumvent these issues by preparing accurately at every stage of the endeavour. The researcher banked on the input of lecturers who are experts in the field of study, to evaluate the research tools give approximation of their validity based on how efficiently and effectively the research tools measure precisely on the study topic. A succinct study overview, clear field procedures, and guiding questions was provided. The research protocol outlined in this chapter have been proven to standardise the investigation and elevate reliability.

3.6.2 Reliability of the Instruments

To assess the reliability of the research instruments, the questionnaire was pilot tested and then reliability computed through Cronbach Alpha reliability analysis. The instruments were pilot tested at the same location of the study. However, the respondents that participated in pilot testing exercise would not take part in the actual data collection exercise. Questionnaires were administered to 40 news consumers for pilot testing. These groups represent 10% of 400 as study sample size, in line with Noble, Scheinost and Constable (2021) who posit that 10-30% of the parent sample

size is adequate for pilot testing. In carrying out the test-retest for the research instrument, these selected respondents were issued with the questionnaires and after two weeks the same respondents were again issued with the questionnaires and the variation of their responses checked through Pearson Correlation coefficient. Creswell, (2014) postulates that a reliability coefficient of 0.6 or 60% and above is adequate and the instrument is considered reliable.

3.7 Data Analysis

Data in this study was analyzed using the quantitative approach. Quantitative data that was generated from the questionnaire was sorted, coded and analysed using both descriptive and inferential statistics. Descriptive statistics involved computing of frequencies, percentages, means and standards deviations with the aid of Statistical Package for Social Sciences (SPSS) computer programme. The Pearson Product-Moment Correlation Coefficient was utilized to test the relationship between the variables.

3.8 Ethical Considerations

According to Sagoe (2012), ethical issues are crucial for all types of research. Ethical difficulties refer to questions and dilemmas that emerge about the proper approach to conduct research, particularly how to avoid creating detrimental conditions for study participants. In this study, the researcher verified that ethical rules for doing research were followed such that no ethical principle was compromised. A consent form was given to each participant to seek their consent. The researcher made filling of questionnaires easy for the participants by explaining the procedure of the research to them. It was made clear to the study participants that there would not be any payments or any form of incentives for participation in the study. In addition, the participants were assured that there was no other hidden purpose for collecting the data and it was used solely for academic purposes (Sagoe, 2012).

The researcher obtained research authorization letter from the Strathmore University Business School to enable processing of a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI). The researcher obtained the informed consent of the respondents who took in the study before carrying out the research study. Then there was training of the research assistants on contents of the questionnaires and how to handle the respondents, after which the respondents were administered with the questionnaires then collected back for analysis.

To ensure confidentiality the researcher agreed with the respondents, that the information provided during interviews were only going to be used for research purposes only. Hence any information given by the participants concerning the research was treated with utmost care, respect, dignity, and confidentiality. To achieve this, building a relationship of trust and mutual respect was considered. However, to maintain anonymity of participants, pseudonyms was employed. Therefore, critical care was taken to ensure informed consent and confidentiality given that paywall models are new in Kenya hence information generated from the concept may be deemed sensitive. In addition, the researcher secured of statutory licences and conform to data privacy regulations. The researcher sought consent to participate in the session assuring the respondent of confidentiality of information and their identity. The interview took approximately 40 minutes.

3.9 Chapter Summary

Chapter three has discussed the research techniques and methods utilized for the study to assess factors influencing the consumer adoption of news paywalls in Kenya. It therefore highlights research philosophy and design that guided the study, research population and sampling and the data collection approaches or techniques that were used to collect the quantitative data. The chapter also underscores the safeguards of the data quality through Validity of the instruments and reliability of the Instruments thereby also providing the data analysis techniques that were adopted. Lastly, the chapter explains the Ethical Considerations that were observed to uphold the dignity, confidentiality and rights of the study respondents

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents research findings, analysis and interpretation. The chapter gives a detailed account of what the demographic characteristics of the population mean. Further, it presents the findings around the first, second, third, fourth and fifth objectives of this study. The findings are presented in descriptive tables using percentages and descriptions (with quotes) from notes developed during interview sessions.

4.2 Response Rate

Out of the 400 questionnaires distributed, 302 were duly completed and returned (Table 4.1). This amounts to 75.5 percent response rate. Mugenda & Mugenda (2008), consider any response rate above 50 percent to be ideal whereas Saunders et al. (2009) explain that a 50 percent response rate is adequate, 60 percent is good and above 70% rated very good. This means the 75.5 percent response rate for this research is very good, as contemplated by Mugenda & Mugenda (2008) and Saunders et al., (2009). This rate is presented as shown in Table 4.1.

Table 4.1 Response rate

Category	Frequency	Percentage
Response	302	75.5%
Not returned	98	24.5%
Total	400	100%

4.3 Demographic Profile

The demographic profile of the respondents was picked based on their gender, education and employment status, income level, level of education, devices used to access the internet and the frequency of internet access.

4.3.1 Gender of the Respondents

The study sought to find out the gender of the respondents. The gender distribution is presented in figure 4.1. Figure shows the response. The findings show that 65% of those who filled out and returned questionnaires were men, while 35 % were women.

This finding were in line with the fact that more men than women use the internet in Nairobi City County (KNBS, 2021).

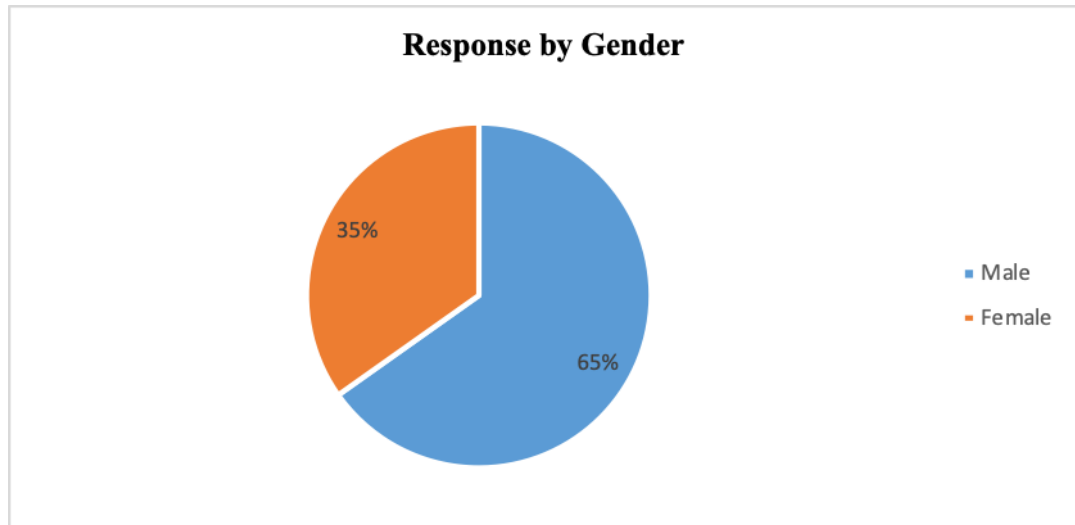


Figure 4.1: Distribution of Respondents by Gender

4.3.2 Level of Education

Respondents were probed on their level of education as this was imperative to establish their level of literacy and internet usage. Table 4.2 shows the response

Table 4.2 Level of Education

	Frequency	Percentages
Primary Education	18	5.96
Secondary Certificate	81	26.82
Certificate	42	13.91
Diploma	74	24.50
Degree	77	25.50
Master's Degree/PhD	10	3.31

The study found that majority of the respondents 26.82% had secondary school certificate, 25.50% had degree certificate, 24.5% had diploma, while 13.91%, 5.96% and 3.31% had certificate, primary education and master degree/PhD certificate respectively. This shows that the majority of respondents are were educated enough, with a minimum of secondary school education, which is a reflection of the majority composition of the Nairobi population, where literacy levels are high (KNBS, 2021).

4.3.3 Employment Status

Respondents were probed on their employment status as this was imperative to establish their internet usage. Table 4.3 shows the response

Table 4.3 Employment Status

	Frequency	Percentages
Employed	67	22.19
Not Employed	96	31.79
Casual labourer	139	46.03

Table shows that majority of the respondents at 46.03% were casual labourers, 31.79% were not employed, while only 22.19% were employed. This shows that the majority of respondents were either not employed or casual laborers, which is a reflection of the majority composition of the Nairobi population, where literacy levels are high (KNBS, 2021).

4.4 Adoption of Paywall

To assess the level of adoption of news paywall among the news consumers, respondents were asked to indicate their most often source. Figure 4.2 shows the response.

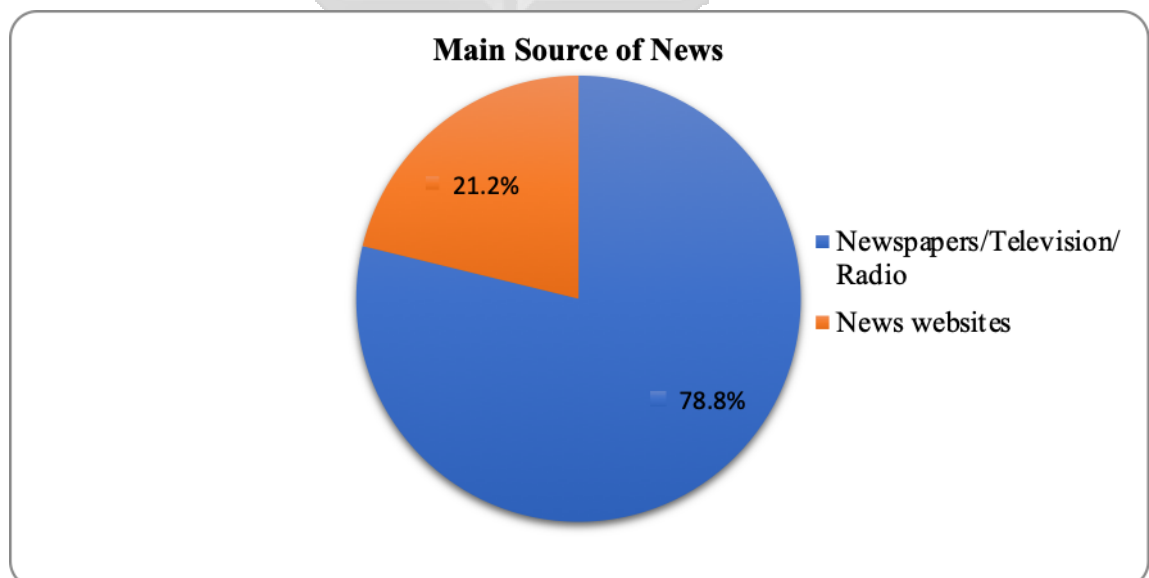


Figure 4.2 Adoption of Paywall

Figure 4.2 shows that majority of the news consumers at 78.8% receive their news from newspaper or television or radio. Only a handful of the respondents at 21.2% receive

the news through news websites. This shows that although the news consumers had smartphones, most of them would still receive their news either from newspaper or television or radio, hence the study established that the rate of paywall news consumption was low.

4.4.1 Frequency for Paying for News Online

Respondents were probed on how often they pay for news online. This was significant to also establish the rate of news paywall adoption among the news consumers. Figure 4.3 shows the results.

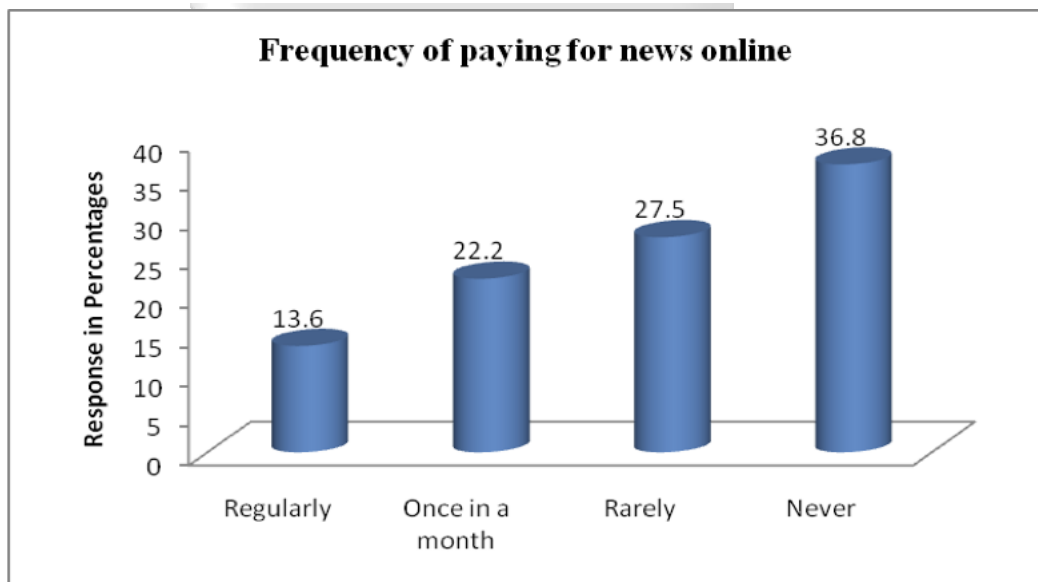


Figure 4.3 Frequency for Paying for News Online

The study established that majority of the respondents at 36.8% never pay for their online news, 27.5% rarely pay, 22.2% pay once in a month, while only 13.6% regularly pay for the online news through paywall platform. This indicate that majority of the news consumers were not keen on paying for the online news.

4.4.2 Recommendation for a friend to pay for online news

The study sought to find out whether the respondents would recommend for a friend to pay for online news. The results were as shown in Figure 4.4 below.

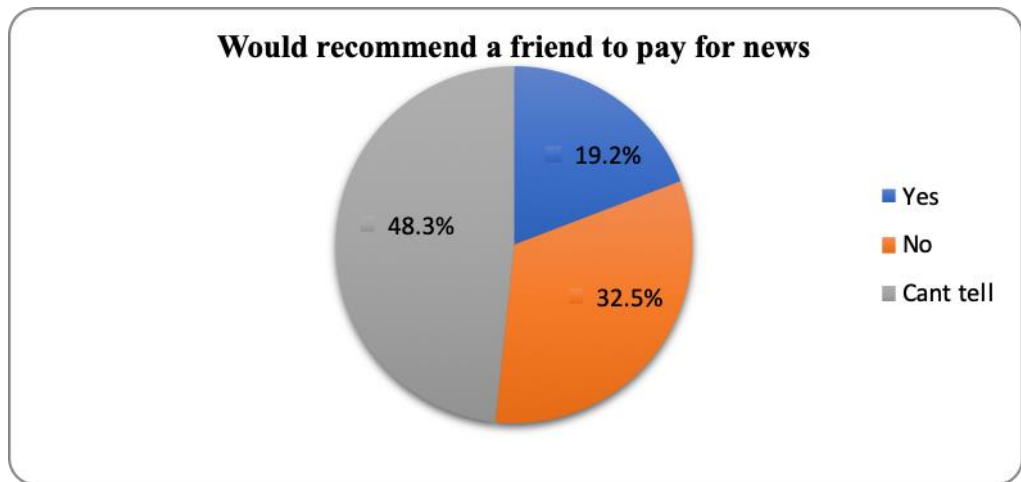


Figure 4.4 Recommendation for a friend to pay for online news

The study found that majority of the respondents at 48.3% could not tell whether they would recommend their friends to pay for the online news or not, 32.5% revealed that they would not recommend, while only 19.2% would recommend paywall news for their friends. This shows that most of the consumers would not tell whether to recommend news paywall for their friends or not.

4.4.4 Rating the frequency of subscribing or purchasing for any news online

Respondents were asked on how they would rate their frequency of subscribing or purchasing for any news online. Figure shows the response

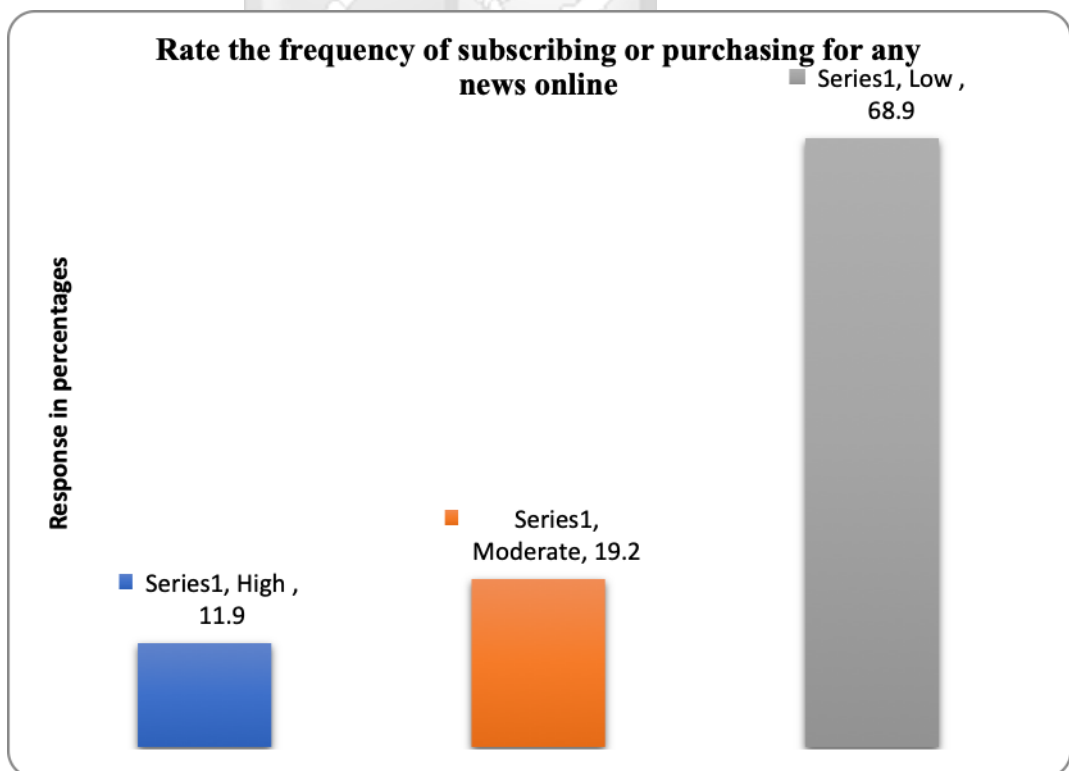


Figure 4.5 Rating the frequency of subscribing or purchasing for any news online

The study found that majority of the respondents at 68.9% rated their frequency of subscribing or purchasing for any news online as low, 19.2% rated as moderate while only 11.9% rated their frequency of subscribing or purchasing for any news online as high. This shows that most of the consumers were not readily subscribing or purchasing for any online news.

4.4.5 Consumers Response on adoption of paywall news

Respondents were asked to indicate their level of agreement with the following statements related to adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree. Table 4.4 shows the response

Table 4.4 Consumers Response on adoption of paywall news

Statement	N	Mean	STDev
At least I have paid for an online news	302	2.11	1.277
Whenever I access news online I have to pay for it	302	2.34	1.154
I have never purchased news online	302	3.78	0.961
I only purchase news online when the news is important	302	3.65	0.912

The study found that most of the consumers disagreed with the statement that at least they had paid for an online news (Mean 2.11 ± 1.277). This implies that majority of the respondents had not at least paid for an online news even for ones. The study also established that majority of the respondents at (Mean 2.34 ± 1.154) disputed the statement that whenever they access online news they have to pay for it, implying that most of the news consumers are not readily paying for the on line news whenever they access such news online. On purchase of the news online, most of the news consumers agreed (Mean 3.78 ± 0.961) that they had never purchased online news hence pointing out to a low paywall adoption among the consumers. However, despite the low adoption and usage of the paywall news platform by the consumers, the study found that with a weighted mean of (Mean 3.65 ± 0.912), it points out that the value or the significance of the online news would influence the willingness of the consumer to purchase it.

4.5 Economic Factors and Paywall News Adoption

The first study objective sought to establish the influence of economic factors on news users' decision to subscribe to news paywall in Kenya. Responses were presented in Tables and pie-charts.

4.5.1 Economic determinant that mainly guides Consumer decision to use news paywall

Respondents were asked to indicate the economic determinant that mainly guides their decision to use news paywall. Figure shows the response

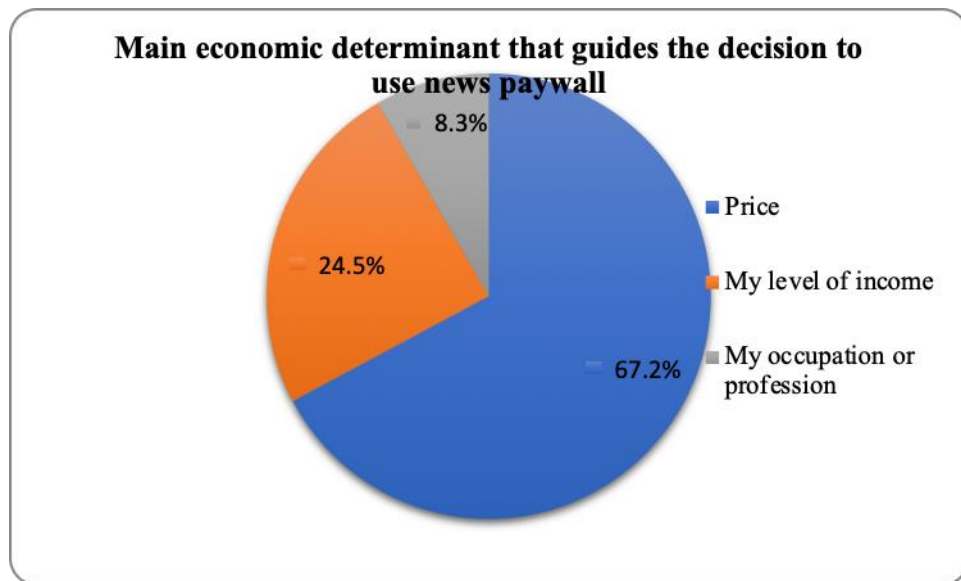


Figure 4.6 Economic determinant that mainly guides Consumer decision to use news paywall

The study established that price was the main economic determinant that guided the decision of the news consumers to purchase or use paywall news, as indicated by majority of the respondents at 67.2%, 24.5% indicated their level of income as a determinant, while only 8.3% indicated their occupation or profession. This shows that price or the cost of online news was a major determinant for paywall subscription and usage.

4.5.2 Paywall adoption if income is improved and price lowered

Respondents were also asked to indicate whether they would use paywall news if their income improved or the cost of the news was lowered in the paywall platform. Figure 4.7 shows the response.

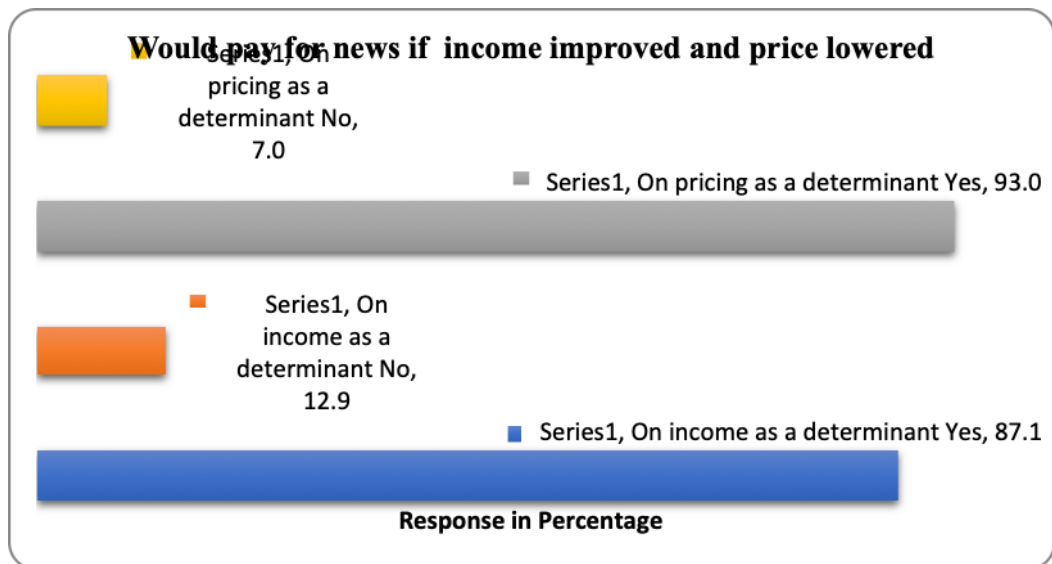


Figure 4.7 Paywall adoption if income is improved and price lowered

The study established that majority of the respondents at 93.0% agreed that they would pay for the on line news if their income was improved. Similarly, most of the respondents at 87.1% agreed that they would adopt the paywall news if the cost of the online news was lowered. This shows that under improved conditions such as enhanced income and lowered cost of the on line news, most of the consumers would adopt the news paywall. These findings corroborate that of Chyi (2016) who also found that the income of the audience may also affect the adoption of paywall news, as a higher level of consumer income may increase the subscription and registration intent and willingness to pay for online news. In their study on willingness to pay for online news.

4.5.3 Response on Economic Factors and Adoption of Paywall News by Consumers

Respondents were asked to indicate their level of agreement with the following statements related to economic factors and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree.

Table 4.5 shows the response

Table 4.5 Response on Economic Factors and Adoption of Paywall News by Consumers

Statement	N	Mean	STDev
I would purchase news online as long as it is affordable	302	3.8	0.916
Some online news are beyond my affordability	302	4.1	0.862
Higher level of consumer income may increase the subscription and registration intent and willingness to pay for online news	302	4.1	0.867
The price of the online news is more likely to influence it purchase	302	4.0	0.889
Consumers tend to see pricing of online news as unfair when there is alternative free source of news	302	4.0	0.887

According to the stud findings, majority of the respondents at (Mean 3.8 ± 0.916) indicated that they would purchase news online as long as it is affordable. This shows that affordability of news on paywall platform was a determinant for their consumption and most of the news consumers would purchase online news so long as the paywall was affordable. In fact, majority of the respondents at (Mean 4.1 ± 0.862) confessed that some online news was beyond their affordability and hence could not embrace the usage of paywall news. Meaning, if the news in the paywall is not affordable to most of the consumers, then the adoption of the paywall will be minimised. This shows that news consumers would sometimes not use paywall news because some online news were beyond their affordability. Similarly, Chiou and Tucker (2013) found in their study that news media organizations face new challenges regarding how to manage access to and the pricing of their content, making it unclear whether content should be free or whether customers should pay via a "paywall". The study also found that majority of the respondents agreed with the statement that higher level of consumer income may increase the subscription and registration intent and willingness to pay for online news (Mean 4.1 ± 0.867). this implies that higher level of consumer income may increase the intention to subscribe and register and willingness to pay for online news. In fact, most of the respondents strongly confirmed that the price of the online news is more likely to influence it purchase, indicating that the cost of online news was more likely to determine the subscription and adoption of paywall news (Mean 4.0 ± 0.889).

Majority of the respondents also agreed that consumers tend to see pricing of online news as unfair when there is alternative free source of news (Mean 4.0 ± 0.887), showing that alternative free source of news would also influence the subscription and adoption of paywall news.

4.6 Alternative Sources and Paywall News Adoption

The second study objective sought to determine the extent at which availability of alternative news sources affect consumers' decisions to adopt news paywalls in Kenya. Response were therefore presented in subsequent tables, graphs and pie charts.

4.6.1 News from social media and blogs are a comparable alternative to news websites

Respondents were asked on whether news from social media and blogs are a comparable alternative to news websites. Figure 4.8 shows the results

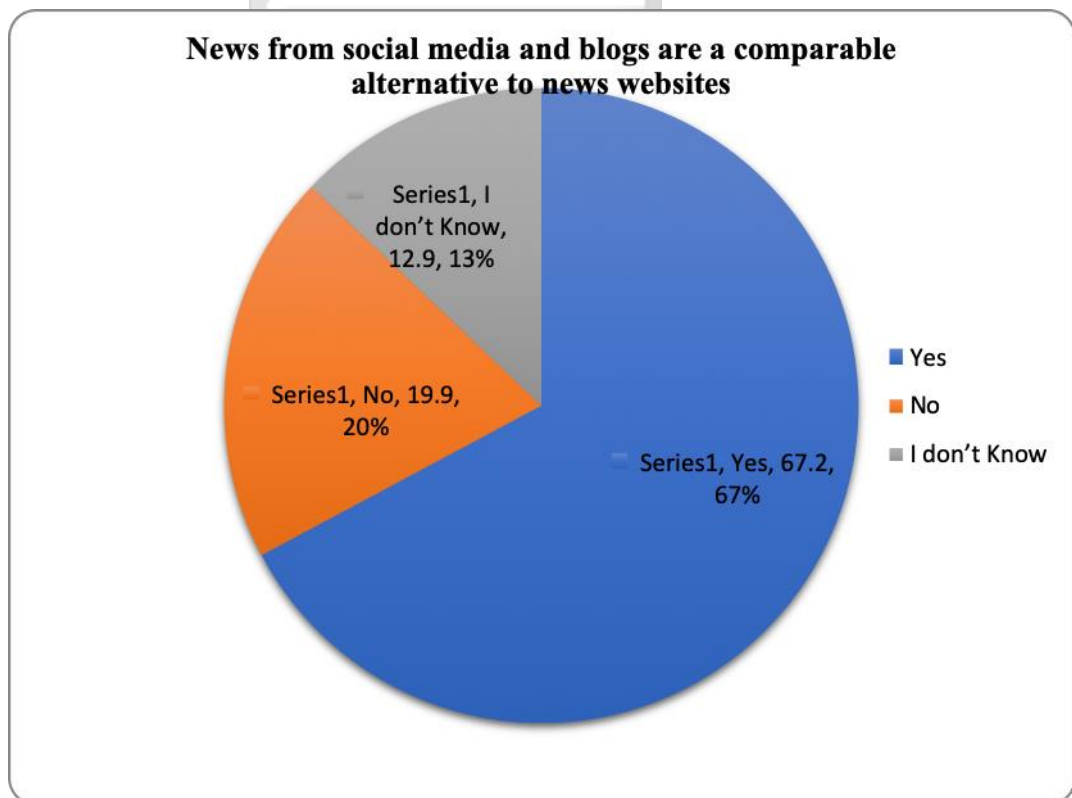


Figure 4.8 News from social media and blogs are a comparable alternative to news websites

The study found that majority of the respondents at 67% confirmed that news from social media and blogs are a comparable alternative to news websites, only 20% disagreed with the statement, while 13% could not tell whether news from social media

and blogs are a comparable alternative to news websites. This shows that the fact that social media and blogs could provide similar news as those at the paywall, this would influence the adoption and use of paywall news by the news consumers. In fact, majority of the respondents at 74.8% when asked on whether they would still use or access news from paywall given the free websites, confirmed that they would not use paywall platform to access news, only 21.2% confirmed that they would still use the paywall to access their news although there exist free social media and blogs news that provide alternative source news, while 4.0% could not tell on the statement. See Figure 4.9

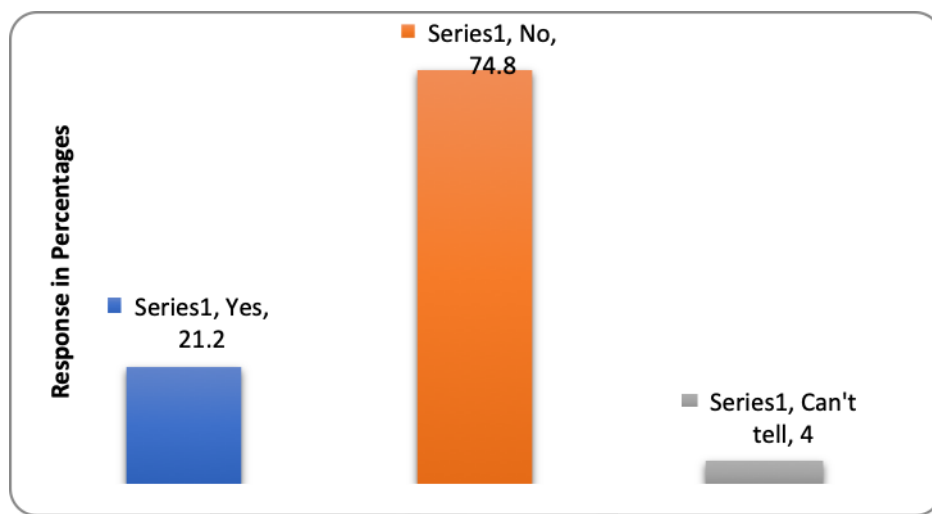


Figure 4.9 .Use of access news from paywall given the free websites

4.6.2 How often would news consumers go for free website news

The study also sought to know how often would news consumers go for free website news despite the awareness and knowledge about news paywall. Table 4.6 shows the results.

Table 4.6 How often would news consumers go for free website news

	Frequency	Percentages
Quite often	221	73.18
Moderately often	59	19.54
Less often	22	7.28

The study found that majority of the respondents at 73.18% indicated that quite often, they would go for free website news despite the awareness and knowledge about news paywall, 19.54% indicated moderate often while only 7.28% indicated less often. This

shows that most of the news consumers would always go for free website news despite the awareness and knowledge about news paywall.

4.6.3 Response on alternative sources and adoption of paywall news by the consumers

Respondents were asked to indicate their level of agreement with the following statements related to alternative sources and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree. Table xx shows the response

Table 4.7 Response on alternative sources and adoption of paywall news by the consumers

Statement	N	Mean	StDev
Social media and blogs conveniently provide news hence influencing my willingness to pay for news	302	4.0	0.876
Availability of free contents online avert my willingness to pay for online news	302	4.0	0.871
Social media and blogs provides easy access to news for free	302	3.8	0.906
Free or less expensive internet news is always easily accessible	302	4.0	0.873
Awareness of free alternatives negatively influence probability of adopting paywall services	302	4.0	0.875

According to the study findings, majority of the respondents confirmed that social media and blogs handily provide news for the consumers hence influencing their readiness to pay for news through paywall platform (Mean 4.0±0.876). It was also found that free contents online discourage consumers' willingness to pay for online news (Mean 4.0±0.871). This finding agrees with that of Chi and Yang (2019) who also found that availability of free websites may also influence a person's willingness to

pay for content behind a barrier. The Internet has reinforced a culture of free content, in which consumers have free access to information and a rising aversion to paying for material. Majority of the respondents also supported the statement that social media and blogs provides easy access to news for free, (Mean 3.8 ± 0.906) implying that social media and blogs are easily accessible and as well provides news for free to the consumers, hence making them not readily adopting paywall news). Similarly, Jere & Borain (2018) found that if news consumers found their favorite website chose to charge for news material, 74% of consumers would seek out other free access methods. The study also established that free or less expensive internet news was always easily accessible to news consumers as indicated by majority of the respondents (Mean 4.0 ± 0.873). This shows that availability of free or less expensive internet news was always readily accessible to consumers hence discouraging them from adopting paywall news. In fact, most of the respondents strongly agreed that awareness of free alternatives negatively influence probability of adopting paywall services, implying that knowledge on free alternative source of news influence negatively the willingness of the consumers to embrace paywall news (Mean 4.0 ± 0.875). Similarly, Buschow and Wellbrock (2019) examined the willingness of users of an online clip-art service to pay for this material and found that awareness of free alternatives was negatively associated to the probability of adopting paywall services.

4.7 Audience Characteristics and Paywall News Adoption

The third objective sought to indicate their level of agreement with the following statements related to audience characteristics and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree. Table shows the response

Table 4.8 Audience Characteristics and Paywall News

Statement	N	Mean	STDev
Quick publishing of reliable breaking news would make audience that love breaking news pay for news	302	3.9	0.997
Availability of well-informed opinion and analytical content would make me pay for news	302	3.6	1.113

Comprehensive coverage of sports would make sport loving audience pay for news	302	3.4	1.276
Strong coverage of entertainment would make entertainment loving audience pay for news	302	3.7	1.004
I always find the story freely elsewhere whenever confronted with a paywall	302	4.0	0.956

The study found that majority of the respondents agreed that quick publishing of reliable breaking news would make them pay for news, (Mean 3.9 ± 0.997). This implies that speedy publishing of reliable breaking news would influence the willingness of the audience that love breaking news consumers to adopt paywall news. Moreover, most of the respondents confirmed that availability of well-informed opinion and analytical content would make them pay for news (Mean 3.6 ± 1.113). This shows that properly informed opinions and comprehensively analysed contents would also make the consumers to adopt the paywall news. The study also found that strong coverage of sports would make sport loving fanatics or audience pay for news as indicated by (Mean 3.4 ± 1.276). Therefore, comprehensive coverage of the sport activities would also make the news consumers to adopt paywall news especially the sport fanatics. Similarly, it was confirmed that strong coverage of entertainment would make entertainment loving consumers pay for news, (Mean 3.7 ± 1.004). However, respondents strongly confirmed that they always find the story freely available elsewhere whenever confronted with a paywall.

4.8 Media House Characteristics and Paywall News

The fourth study objectives sought to determine the influence of media house characteristics on the user adoption of news paywall in Kenya. Results were therefore presented in subsequent tables and bar-graphs.

4.8.1 Media characteristics that highly influence the decision to adopt paywall news

Respondents were probed on the media characteristics that would highly influence their decision to adopt news paywall. Figure 4.10 shows their response

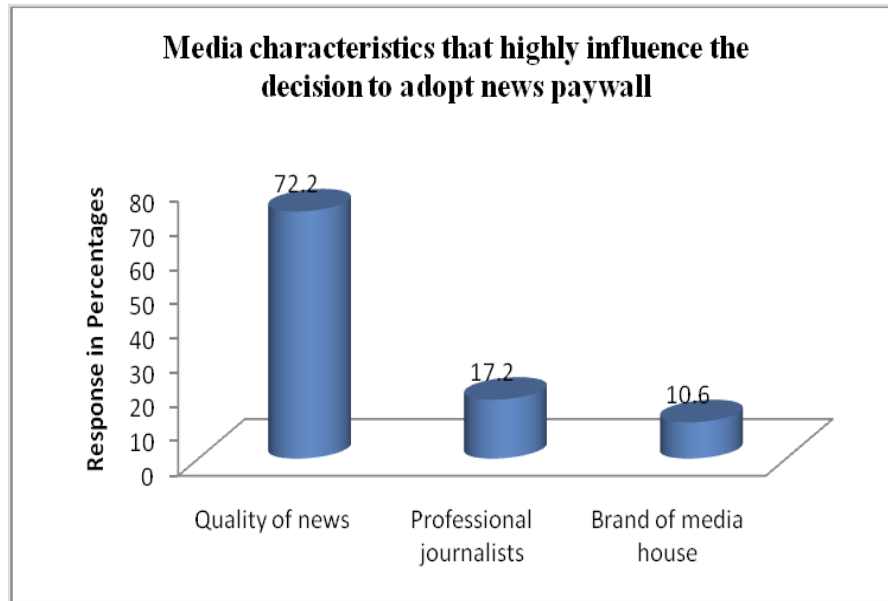


Figure 4.10 Media characteristics that highly influence the decision to adopt paywall news

The study found that quality of news was a major determinant hence influencing the consumers' decision to adopt a paywall platform. This was confirmed by 72.2% of the respondents, 17.2% indicated professional journalists while 10.6% indicated brand of media house. This shows that quality of news would highly influence the consumers' decision to adopt paywall. These findings concur with that of Myllylahti (2014) who also noted that the success of paid online news material in various nations may be influenced by cultural variations, quality of news, reading habits, and print loyalty, among other variables that were outside the scope of that research.

4.8.2 Response on media house characteristics and adoption of paywall news by the consumers

Indicate your level of agreement with the following statements related to media house characteristics and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree. Table 4.9 shows the response

Table 4.9 Response on media house characteristics and adoption of paywall news by the consumers

Statement	N	Mean	STDev
I would be more willing to pay for news if I was given a portion for free	302	3.3	0.997

I am only willing to pay for news content if it is exclusive	302	3.5	0.971
I would pay for news content if I like the media house publishing it	302	3.5	0.974
I would pay for news if the payment method is easy/quick	302	3.4	0.984

The study established that most of the respondents supported the statement that they would be more willing to pay for news if they were given a portion for free (Mean 3.3 ± 0.997). This shows that provision of free portion of the news would encourage news consumers to adopt paywall news. Majority of the respondents also confirmed that they were only willing to pay for news content if it was exclusive (Mean 3.5 ± 0.974), showing that the media house publishing the news would also influence the willingness of the consumers to purchase online news). This finding concurs with that of Macedo, (2020) who also found that the brand familiarity was strongly associated to the likelihood of payment, while brand strength was not. Both Fombrun (1996) and Fombrun Gardberg (2000) concur that a company's reputation is crucial to the acceptance of its paywall news. Companies perceive paywalls as investments, therefore having a strong reputation is important (Deephouse, 2000). According to Aaker (1991), Agarwal & Rao (1996), and Sethuraman (2000), a product's market share and supremacy over rivals are influenced by its brand equity (Chaudhuri & Holbrook, 2001). In essence, publications with a sizable readership can also profit from a high demand from advertisers (Chen, Thorson, & Lacy, 2005). It is also plausible to argue that when online publications erect a paywall, article quality influences the reader's decision about which publications to choose. The adoption of the paywall may result in a lesser drop in page views for newspapers with a higher print circulation volume (Armstrong, 2006). Big newspaper firms often have more online subscribers, which may be because newspaper size is correlated with the publication's reputation,

prominence, and editorial content. Generally, easy and quick payment methods would also positively influence the consumers to adopt news paywall (Mean 3.4±0.984).

4.9 Pearson Correlation Results

To assess the relationship between the variables, Pearson Correlation test was carried out at 95% confidence level. The correlation test indicated the degree or extent at which change or variation in the dependent variable is linked to the change in the predictor or independent variable. In the present study, the correlation analysis results were as shown in Table 4.10. results

Table 4.10: Correlation Analysis results

		Economic factors	Availability of alternative news sources	Users' characteristics	Media house characteristics	Adoption of Paywall news
Economic factors	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	302				
Availability of alternative news sources	Pearson Correlation	0.562	1			
	Sig. (2-tailed)	0.235				
	N	302				
Users' characteristics	Pearson Correlation	0.836	0.741	1		
	Sig. (2-tailed)	0.126	0.096			
	N	302	302			
Media house characteristics	Pearson Correlation	0.523	0.428	0.386	1	
	Sig. (2-tailed)	0.374	0.364	0.174		
	N	302	302	302		
Adoption of Paywall news	Pearson Correlation	0.547	0.611	0.581	0.503	1
	Sig. (2-	0.025	0.035	0.021	0.037	

	tailed)					
	N	302	302	302	302	

The results of the correlation test revealed that all the independent variables (Economic factors, Availability of alternative news sources, Users' characteristics and media house characteristics) had a statistical significant correlation with the dependent variable (adoption of paywall news) at $p < 0.05$.

4.10 Chapter Summary

This chapter captures the data analysis output, their interpretations as well as presentations. The data analysis has been done using both descriptive statistics as well as inferential approaches.



CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides brief summary with reference to discussed findings, conclusions made leading to recommendations. Areas to be considered in future related research are also highlighted in this chapter.

5.2 Discussions of Findings

5.2.1 Economic Factors influencing Paywall news adoption

The first study objective sought to establish the influence of economic factors on news users' decision to subscribe to news paywall in Kenya. Main findings were that price was the main economic determinant that guided the decision of the news consumers to purchase or use paywall news, as indicated by majority of the respondents at 67.2%, 24.5% indicated their level of income as a determinant, while only 8.3% indicated their occupation or profession. This suggests that the consumers do not see the price as commensurate with the value of the news provided especially given their awareness of free alternative sources of news. This finding is consistent with the Reinventing Your Business Model, which puts customer value proposition at the centre (Johnson, Christensen & Kagermann, 2020). It is also consistent with previous studies that found that people who have access to a free alternative are less likely to choose a more costly one (Jere & Borain, 2018). This study shows that price or the cost of online news was a major determinant for paywall subscription and usage. The study also established that majority of the respondents at 93.0% agreed that they would pay for the online news if their income was improved. Similarly, most of the respondents at 87.1% agreed that they would adopt the paywall news if the cost of the online news was lowered. This shows that under improved conditions such as enhanced income, improved value proposition, or lowered cost of the online news, most of the consumers would adopt the news paywall.

On response on Economic Factors and Adoption of Paywall News by Consumers, slightly over a third of the respondents at 36.8% agreed that they would purchase news online as long as it is affordable, 34.4% of the respondents also strongly agreed with the statement, while 11.3% remained neutral. Majority of the respondents at 50.3% also confessed that some online news cost beyond their affordability and hence could not embrace the usage of paywall news, 33.8% also strongly agreed with the statement,

while 9.6% were undecided on the statement. This shows that news consumers would sometimes not use paywall news because some online news were beyond their affordability (Mean 4.1 ± 0.862). This is consistent with Chyi (2016) who found that relatively few people really reacted to paid material, and the majority had no plans to pay in the future.

Availability of free alternative source of news would also influence the subscription and adoption of paywall news (Mean 4.0 ± 0.887). This is consistent with Chiou and Tucker (2013) who, given the prevalence of free content on the Internet, found that news media organizations face new challenges regarding how to manage access to and the pricing of their content, making it unclear whether content should be free or whether customers should pay via a "paywall."

5.2.2 Alternative Source of News and Adoption of Paywall News

The second objective of the study sought to test the influence availability of free alternative sources have on news consumers' willingness to pay. It found that a strong majority of the respondents, at 67%, considered news from social media and blogs as a comparable alternative to news websites, only 20% disagreed with the statement, while 13% could not tell whether news from social media and blogs are a comparable alternative to news websites. This shows that the fact that social media and blogs could provide "similar" or "comparable" news as those provided by news paywalls would influence the adoption and use of paywall news by the news consumers. Further, it suggests a strengthening of Newman et al's finding that more than half of respondents accessed news through social media weekly, and 12% used it as their major source (Newman et al., 2016), mapping the social media-based news-seeking behaviour of the typical Kenyan news consumer to be more pronounced than the global patterns. Similar trends are seen by Flaxman, Goel and Rao (2016) and Fletcher & Nielsen (2018), where news consumers are found to be happy with social media sources, and when news presence on social media decline then they retreat to messaging platforms.

This study finds that a majority of the respondents at 73.18% indicated that quite often, they would go for free website news despite the awareness and knowledge about news paywalls. It establishes the presence of alternative news sources, especially free ones, as a major factor in determining adoption of paywall news.

While Newman et al did not test the influence of paywall and its generally known that paywalls had not taken root then, it may seem that the shift to social media as a source

of news becomes pronounced where a context has a paywall. This can be a basis for further research.

Taken from the user perspective, it is clear that social media is a competitor to news publishers. This is a reality that news publishers do not seem to have recognised in spite of some studies showing that the social media business model is based on the number of users and visits, regardless of the quality of the material offered (Cozzolino, Corbo & Aversa, 2021).

5.2.3 User Characteristics and Adoption of Paywall News

The third objective assessed consumer adoption of paywalls based on their own preferences. The study found that majority of the respondents agreed that quick publishing of reliable breaking news would make the breaking news fanatics to pay for news. This implies that speedy publishing of reliable breaking news would influence the willingness of the breaking news consumers to adopt paywall news. Moreover, most of the respondents confirmed that availability of well-informed opinion and analytical content would make them pay for news. This shows that properly informed opinions and comprehensively analysed contents would influence consumers positively towards adopting the paywall news. The study also found that strong and comprehensive coverage of sport news would make the sport fanatics to be willing to pay for news online through paywall platform.

Similarly, comprehensive coverage of entertainment news would make entertainment consumers or fans to pay for the news. These findings concur with that of Goyanes (2014) who also found links between paying intent and predictor factors such as audience news preference, demographics (age and income), purchase of other digital items (online movies or television material, software programs, eBooks, and apps), and media consumption. However, independent factors like gender (demographics), video games, and music files (other digital product purchases) were not statistically significant.

5.2.4 Media House characteristics and Adoption of Paywall News Platform

The fourth study objectives sought to determine the influence of media house characteristics on the consumer adoption of news paywall in Kenya. The study found that quality of news was a major determinant hence influencing the consumers' decision to adopt a paywall platform. This shows that quality of news would highly

influence the consumers' decision to adopt paywall, and is consistent with the users and gratifications theory discussed in Chapter Two (Haridakis & Humphries 2019). The theory holds, inter alia, that media consumers are goal-directed hence they know exactly what they are looking for in media and where to get it.

Bodó (2019) found that news audiences seek guarantee of reliability and quality assurance, and that individuals pay for a respected news brand in order to avoid clickbait and false news. In this study, most of the consumers agreed cumulatively at 57.2% that they would pay for news content if they like the media house publishing it. This is consistent with Sindik and Graybeal (2018), who studied undergraduate and graduate students at a big institution in the Southeastern United States using a brand loyalty measure to determine their general propensity to embrace micropayments and found that brand loyalty enhances the possibility that users would accept payments for online publications. Big newspapers firms often have more online subscribers, which may be because newspaper size is correlated with the publication's reputation, prominence, and editorial content. Majority of the respondents at 53.3% would be willing to pay for the news online if the payment method was easy and quick, 19.2% remained neutral on the statement, while 27.5% indicated otherwise on the statement. This shows that generally, easy and quick payment methods would also positively influence the consumers to adopt news paywall.

The finding also concurs with that of Macedo, (2020) who established that the brand familiarity was strongly associated to the likelihood of payment, while brand strength was not. Both Fombrun (1996) and Fombrun Gardberg (2000) concur that a company's reputation is crucial to the acceptance of its paywall news.

5.3 Conclusion

In assessing the level of adoption of news paywall among the news consumers, the study concludes that most of the news consumers mainly receive their news from newspaper or television or radio. Only a handful of the respondents receive the news through news websites. This shows that although the news consumers had smartphones, most of them would still receive their news either from print newspaper or television or radio, hence low rate of paywall news consumption. On frequency for paying for news online, most news consumers were not keen on paying for the online

news and also would not tell whether to recommend news paywall for their friends or not. Most of the consumers are also not readily paying for the on line news whenever they access such news online.

On influence of economic factors on news users' decision to subscribe to news paywall in Kenya. Main conclusions were that price was the main economic determinant that guided the decision of the news consumers to purchase or use paywall news. Moreover, under improved conditions such as enhanced income and lowered cost of the on line news, most of the consumers would be influenced positively towards adopting the news paywall. Overall, most of the news consumers would purchase online news so long as the paywall was affordable.

On how alternative source of news influence adoption of paywall news, social media and blogs handily provide news for the consumers hence influencing the consumers' readiness to pay for news through paywall platform. In fact, free contents online discourage consumers' willingness to pay for online news. The Internet has reinforced a culture of free content, in which consumers have free access to information and a rising aversion to paying for material. Awareness of free alternatives negatively influence probability of adopting paywall services, implying that knowledge on free alternative source of news influence negatively the willingness of the consumers to embrace paywall news.

On audience characteristics and Adoption of Paywall News, speedy publishing of reliable breaking news would influence the willingness of the breaking news consumers to adopt paywall news. Moreover, availability of well-informed opinion and analytical content would make more audience pay for news. This shows that properly informed opinions and comprehensively analysed contents would influence consumers positively towards adopting the paywall news. Strong and comprehensive coverage of sport news would make the sport fanatics to be willing to pay for news online through paywall platform. Similarly, comprehensive coverage of entertainment news would make entertainment loving consumers or fans to pay for the news.

The study established that most of the news consumers would be more willing to pay for news if they were given a portion for free. This shows that provision of free portion of the news would encourage news consumers to adopt paywall news. Media house publishing the news would also influence the willingness of the consumers to purchase online news. Generally, easy and quick payment methods would also positively

influence the consumers to adopt news paywall. Big brand media houses providing quality dependable news would also influence the consumers' decision and willingness to adopt a paywall platform. Big newspapers firms often have more online subscribers, which may be because their sizes correlate with the publication's reputation, prominence, and editorial content. Besides, easy and quick payment methods would also positively influence the consumers' willingness to adopt news paywall.

5.4 Limitations of the Study

This study is being done when subscriptions as a business model is just being introduced in Kenya, the first paywall by a significant news publisher having been announced by the Nation Media Group in August 2020 and turned on in February 2021, and by the Standard Group in April 2021. Therefore, news consumers' impressions of paywalls are likely to be those of early adopters. The study also majorly relied on the quantitative data from the news consumers to draw its conclusions and, so, without the qualitative component of the information there is lack of in-depth insights from paywall users.

5.5 Recommendations

5.5.1 Management Recommendations

Media houses can partner with internet service providers to first boost access and awareness regarding paywalls. In this sense, publishers can collaborate with, among others, telecommunications companies, which are providers of mobile data bundles. This would allow new users of the internet, for example, at a subsidized data cost, access news that they cannot find elsewhere, but through such platforms. A small fee when charged would be used to service their data plans as well as content. That said, there should be one cost – a subscription fee, or a data plan – not two as is the case.

Management of the media firms should simplify the process of accessing news on the paywalls. When for example, a phone number is a gateway to the paid-for-news, it should be so much so that at an entry of a phone number, the system can check and validate readers who have a data plan (or subscription plan) as explained in recommendation one above. This way, the much data, which in most cases is personal, that is collected about internet users is cut down and this could boost confidence in the readers to, in fact, pay for news (or data), which either way should give readers news. Inherently, media organisations should produce content for paywalls that cannot be

found elsewhere. While previous research shows that such content could be expensive to acquire, it is also necessary to give value for money. Most internet users are informed. This research found that over half of the respondents have higher literacy level. This poses a challenge to the journalists to produce high-quality content, which can sway such intellectuals off their normal duties to read or watch news. This will not only increase trust levels in the media but will also assure media houses of sustainability.

5.5.2 Policy Recommendations

The policy makers including media regulators and other media stakeholders should come up with policy guidelines that facilitates easy accessibility of online news from paywall platforms. The media houses and internet providers should work hand in hand to develop a framework that makes the cost of accessing the news from paywall platform.

5.6 Suggestion for Further Research

It is not lost that being in the trial stages for local news websites, paywalls have a great potential to succeed. It is therefore in the considered opinion of this research that more elaborate research would be conducted not only to interrogate attitudes but also to develop more knowledge on the issues of data privacy concerns, which has self-added to the list of hurdles of newspaper paywalls as sources of revenue. Moreover, a study should also be done on the knowledge and awareness of the news consumers on the paywall news platform. The study also found that more news consumers would prefer free news online news offered by the social media blogs. Therefore, a comparative study should be done on the quality of news offered by the free socio media blogs and paywall news platform.

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APPENDICES

APPENDIX I: LETTER TO RESPONDENTS

Dear Respondents:

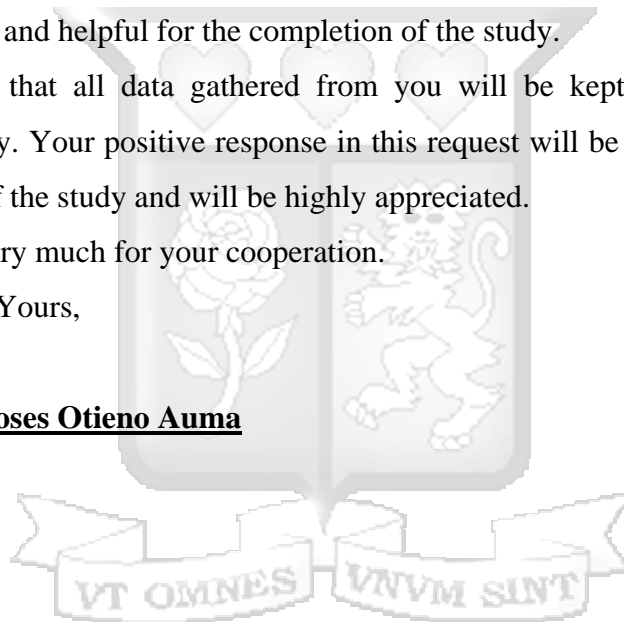
Greetings! I am a Master of Business Administration (MBA) for Executives student at the Strathmore University Business School. Presently, I am conducting a study on “Factors Influencing Consumer Adoption of News Paywalls in Kenya” and would like to collect data from news consumers in Nairobi. In this regard, I request for your precious time, and effort to answer all the questions in the questionnaire below as they are important and helpful for the completion of the study.

Rest assured that all data gathered from you will be kept in the highest level of confidentiality. Your positive response in this request will be valuable contribution for the success of the study and will be highly appreciated.

Thank you very much for your cooperation.

Respectfully Yours,

Churchill Moses Otieno Auma



APPENDIX II: QUESTIONNAIRE FOR NEWS CONSUMERS

This questionnaire is designed to gather research factors influencing adoption of paywalls by the online news consumers in Kenya. The questionnaire has six sections. For each section, kindly respond to all items using a tick [✓] or filling in the blanks where appropriate.

SECTION A: DEMOGRAPHIC CHARACTERISTICS

1. Your gender

Male [] Female []

2. What is your level of formal education?

Certificate [] Diploma [] Degree [] Master's Degree [] PhD []

3. Employment Status

Employed [] Not Employed [] Casual labourer []

SECTION B: ADOPTION OF PAYWALL

4. Which of the following do you use most often to source news?

- Newspapers/Television/Radio []
- News websites []

Which specific one(s) _____

5. How often do you pay for news online?

- Daily []
- Weekly []
- Monthly []
- Annually []
- Never []

6. Would you recommend your friend to pay for news?

- Yes []
- No []

7. How would you rate your frequency of subscribing or purchasing for any news online?

- High []
- Moderate []
- Low []

8. Indicate your level of agreement with the following statements related to adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Statement	SA	A	N	D	SD
1. At least I have paid for a news online					
2. Whenever I access news online I have to pay for it					
3. I have never purchased news online					
4. I only purchase news online when the news is important					

SECTION C: ECONOMIC FACTORS

9. What economic determinant mainly guides your decision to use news paywall?
- Price []
 - My level of income []
 - My occupation or profession []
 - Any other _____
10. On income as a determinant, would you pay for news if your income improved?
- Yes []
 - No []
11. On pricing as a determinant, would you pay for news if the cost was lower?
- Yes []
 - No []
12. Indicate your level of agreement with the following statements related to economic factors and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Statement	SA	A	N	D	SD
1. I would purchase news online as long as it is affordable					
2. Some online news are beyond my affordability					
3. Higher level of consumer income may increase the subscription and registration intent and willingness to pay for online news					

4. The price of the online news is more likely to influence it purchase					
5. Consumers tend to see pricing of online news as unfair when there is alternative free source of news					

SECTION D: ALTERNATIVE SOURCES

13. Do you find that news from social media and blogs are a comparable alternative to news websites?

- Yes []
- No []

If No, give reasons _____

14. Given the free websites, would you still use or access news from paywall?

- Yes []
- No []

If No, explain your answer _____

15. How often would you go for social media and blogs news despite the awareness and knowledge about news websites?

- Quite often []
- Moderately often []
- Less often []

16. How often would you go for free website news despite the awareness and knowledge about news paywall?

- Quite often []
- Moderately often []
- Less often []

17. Indicate your level of agreement with the following statements related to alternative sources and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Statement	SA	A	N	D	SD
1. Social media and blogs conveniently provide					

news hence influencing my willingness to pay for news					
2. Availability of free contents online avert my willingness to pay for online news					
3. Social media and blogs provides easy access to news for free					
4. Free or less expensive internet news is always easily accessible					
5. Awareness of free alternatives negatively influence probability of adopting paywall services					

SECTION E: AUDIENCE CHARACTERISTICS

18. Most of my peers have paid for news online?

- Yes []
- No []

If yes, in your view, which category of these audience or consumers would highly go for news paywall?

- Less educated []
- Moderately educated []
- Highly educated []

19. Is gender a determinant for news paywall adoption?

If yes, in your view, which category of these consumers would highly go for news paywall?

- Male audience []
- Female audience []
- Both []
- I don't know []

20. Indicate your level of agreement with the following statements related to audience characteristics and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Statement	SA	A	N	D	SD
1. Quick publishing of reliable breaking news					

would make me pay for news					
2. Availability of well-informed opinion and analytical content would make me pay for news					
3. Strong coverage of sports would make me pay for news					
4. Strong coverage of entertainment would make me pay for news					
5. I always find the story freely elsewhere whenever confronted with a paywall					

SECTION F: MEDIA HOUSE CHARACTERISTICS

21. Which of the following media characteristics would highly influence your decision to adopt news paywall?

- Quality of news []
- Professional journalists []
- Brand of media house []

22. How would you compare the following characteristics in traditional print media and paywall news? [Rating: High OR Moderate OR Low]

	Quality	Trust	Brand
Newspapers/Television/Radio			
News websites			

23. Indicate your level of agreement with the following statements related to media house characteristics and adoption of paywall news by the consumers, where SA=Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Statement	SA	A	N	D	SD
1. I would be more willing to pay for news if I was given a portion for free					
2. I am only willing to pay for news content if it is exclusive					
3. I would pay for news content because I like the media house publishing it					
4. I would pay for news if the payment method is					

easy/quick					
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THANK YOU



APPENDIX III: ETHICAL APPROVAL



24th March 2023

Mr Auma Churchill Moses Otieno,
cotieno@gmail.com

Dear Mr Auma,

RE: Factors Influencing Consumer Adoption of News Paywalls in Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1598/23**. The approval period is from **24th March 2023 to 23rd March 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-ISERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.






Yours sincerely,

for: **Dr Ben Ngoye,**
Secretary; SU-ISERC

Cc: Mr Ambrose Rachier,
Chairperson; SU-ISERC



APPENDIX IV: NACOSTI RESEARCH PERMIT

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 237719	Date of Issue: 05/April/2023
RESEARCH LICENSE	
	
This is to Certify that Mr., Churchill Moses Otieno Auma of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Factors Influencing consumer adoption of news paywalls in Kenya for the period ending : 05/April/2024.	
License No: NACOSTI/P/23/24927	
237719 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	
See overleaf for conditions	

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
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13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

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