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THE AGA KHAN UNIVERSITY

Graduate School of Media and Communications

**VIABILITY OF DIGITAL SUBSCRIPTION IN UGANDA: AN ANALYSIS OF
CHIMPREPORTS' PAYWALL**

By

ALEX TAREMWA
535174

A thesis submitted in partial fulfilment of the requirements for the degree of Master of
Arts in Digital Journalism

Nairobi, Kenya

May, 2021
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APPROVAL PAGE

The Aga Khan University
Graduate School of Media and Communications

A thesis submitted in partial fulfilment of the requirements for the degree of Master of
Arts in Digital Journalism

Members of the Thesis Evaluation Committee appointed to examine the thesis of
ALEX TAREMWA-535174, find it satisfactory and recommended that it be accepted.

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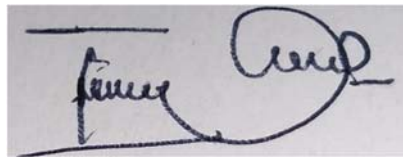
Member,
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May, 2021

DECLARATION

VIABILITY OF DIGITAL SUBSCRIPTION IN UGANDA: AN ANALYSIS OF CHIMPREPORTS' PAYWALL

I, **ALEX TAREMWA-535174** declare that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university and that to the best of my knowledge it does not contain any material previously published or written by another person except where due reference has been made in the text. The editorial assistance provided to me has in no way added to the substance of my thesis, which is the product of my research endeavours.

A handwritten signature in black ink, appearing to read 'Alex Taremwa', written on a light-colored background. The signature is cursive and includes a large, stylized flourish on the right side.

Signature

May, 2021

Date

ACKNOWLEDGEMENTS

After a long period of emphatic and sometimes agonizing effort, I am pleased to finally reach this academic milestone. I would love to acknowledge the input of my supervisor Dr. Sam Kamau, my first eye and defacto second supervisor Mr. Hesbon Owilla for their support, direction and indefatigable encouragement that made this document a possibility. I particularly thank the Library staff for providing an invaluable resource pool that enriched this study, the faculty at the Graduate School of Media and Communications (GSMC) for the support and environment that brought this thesis to life. Finally, I thank my management of ChimpReports Limited for granting me access and time to collect data and to Shitemi Baron Khamadi, my classmate, for his inspiration throughout this research.

ABSTRACT

Digital Media in Uganda is experimenting with subscription-based models as an alternative to the traditional advertising model and as a recovery plan from the effects of COVID-19. The objectives for this study were: to identify critical success factors for subscription-based models in digital media platforms, to analyse audience consumption habits vis-a-vis payment for digital content on ChimpsReports, to establish the effect of paywalls on the financial bottom-line of ChimpReports, and to establish the barriers to subscription uptake among digital media in Uganda. The theoretical framework adopted the political economy of the media and the disruption of innovations theories to investigate the viability of digital subscription. The researcher used a mixed methods approach. The study employed key informant interviews and survey as methods for data collection. The methods were aided by a questionnaire and an interview guide as data generation tools. The researcher sampled 218 respondents. The sample size was achieved through purposively sampling technique and simple random sampling technique. Qualitative data was analysed thematically and presented in form of themes. On the other hand, quantitative data was analysed using Microsoft Excel, Google Sheets and data was presented in form of tables, pie-charts, and graphs. The findings show that the increase in internet penetration in Uganda and the increase in smartphone usage are the biggest enablers of paid-content consumption in Uganda. The quality of content, poor packaging, and unfair prices by publishers were the biggest barriers to uptake of paid news content. The study concluded that digital subscription can be the leading revenue source for digital media and recommended the use of freemium and metered paywalls over hard paywalls. The researcher further suggests that a further investigation into the monetization of instant messaging apps as this is a new phenomenon that this study did not capture.

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ABBREVIATIONS AND ACRONYMS

ACME:	African Center for Media Excellence
API:	Application Programming Interface
CNOOC:	China National Offshore Oil Corporation
DW:	Deutsche Welle
KARF:	Kenya Audience Research Foundation
MCI:	Media Challenge Initiative
MCK:	Media Council of Kenya
MVIs:	Media Viability Indicators
NYT:	The New York Times
OTT:	Over The Top Services
UCC:	Uganda Communications Commission
UCU:	Uganda Christian University
UNCST:	Uganda National Council for Science and Technology
UNESCO:	United Nations Educational, Scientific and Cultural Organisation
USSD:	Unstructured Supplementary Service Data
SVOD:	Subscription Video-On-Demand
WTP:	Willingness To Pay