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THE AGA KHAN UNIVERSITY
Graduate School of Media and Communications

**IMPACT OF THE IMPLEMENTATION OF PAYWALLS IN KENYA:
CASE OF NATION MEDIA GROUP**

By
Bernard Momanyi
580222

A capstone project submitted in partial fulfilment of the requirements for the degree of
Executive Master's in Media Leadership and Innovation

Nairobi, Kenya

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APPROVAL PAGE

The Aga Khan University
Graduate School of Media and Communications

A capstone project submitted in partial fulfilment of the requirements for the degree of
Executive Master's in Media Leadership and Innovation

Members of the Capstone Project Evaluation Committee appointed to examine the project of
BERNARD RWOTI MOMANYI-580222, find it satisfactory and recommend that it be
accepted.

Prof. Nancy Booker,
Dean,
Chair, Capstone Project Evaluation Committee

Dr. Denis Galava, Ph.D., Supervisor

Member,
Capstone Project Evaluation Committee

DECLARATION

IMPACT OF THE IMPLEMENTATION OF PAYWALLS IN KENYA CASE STUDY OF NATION MEDIA GROUP

I, **BERNARD RWOTI MOMANYI-580222**, declare that this capstone project 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 capstone proposal/project, which is the product of my research endeavours.

Signature

Date

DEDICATION

I dedicate this project proposal to my wife Diana Ithiru Kiriungi, my children Linda, Meghan and Dylan and all my siblings for their encouragement and support.

ACKNOWLEDGMENTS

I extend my sincere appreciation to my supervisor, Dr. Denis Galava, and the entire Faculty at Aga Khan University Graduate School of Media and Communications for their invaluable guidance and scholarly support. Their expert advice, insightful contributions, unwavering encouragement, and profound insights have played a pivotal role in shaping and enriching this study. I am also deeply grateful for the unwavering support received from the university's staff and my fellow students throughout the course of this research. This collaboration has been instrumental in the completion of this study.

ABSTRACT

The era of digital disruption has compelled media houses in Kenya, as it has worldwide, to undergo a fundamental reassessment of their operational models for survival and sustainability. One such model that has emerged in response to these challenges is the paywall, which some media organizations are now exploring as a viable and alternative source of sustainable revenue. Notably, the Nation Media Group blazed the trail in Kenya by pioneering the implementation of a paywall. This undertaking presents an array of challenges and opportunities that warrant careful consideration. In the context of this study, which employed a qualitative approach, it has become evident that conducting thorough research before embarking on paywall implementation is key. Media houses must prioritize the cultivation of a paywall culture among their staff and seek to garner audience buy-in before venturing into this new revenue model. This study underscores the significance of delivering high-quality content that justifies monetization efforts. To support the successful implementation of a paywall, media organizations must also invest in robust digital infrastructure capable of facilitating seamless access and user experience for their subscribers. These strategic considerations are vital in navigating the complex landscape of paywall implementation in the evolving media ecosystem.

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ABBREVIATIONS AND ACRONYMS

AI:	Artificial Intelligence
AKU-GSMC:	Aga Khan University Graduate School of Media and Communications
KEG:	Kenya Editors Guild
KII:	Key Informant Interviews
KNBS:	Kenya National Bureau of Statistics
MCK:	Media Council of Kenya
ME:	Managing Editor
MEO:	Managing Editor Online
NMG:	Nation Media Group
PwC:	PricewaterhouseCoopers
SG:	Standard Group

OPERATIONAL DEFINITION OF TERMS

Accessing Content: The act of gaining entry to and viewing or consuming digital or physical materials such as articles, videos, documents, websites, or any form of information or entertainment that is available to users through various mediums.

Analyzing Subscriptions: To examine and assess various aspects of a subscription-based service or model. This analysis can include evaluating pricing strategies, subscription models, customer retention strategies, and other factors related to subscription-based businesses.

Content Monetization: The process of generating revenue or profits from digital content, such as articles, videos, music, software, or any other digital asset.

Digital Disruption: The profound and often rapid changes that occur in industries, businesses, and traditional practices as a result of the widespread adoption and integration of digital technologies.

Digital Revolution: The profound and transformative changes brought about by the widespread adoption and integration of digital technologies, particularly computer technology and the internet, in various aspects of society, including the economy, communication, education, entertainment, and more.

Digital News Consumption: The practice of accessing and engaging with news content through digital or online platforms.

Editing: The process of reviewing and revising a written or visual piece of content to improve its overall quality, clarity, accuracy, and effectiveness.

News Consumption: This is the process by which individuals or the public obtain and engage with news content from various sources, including newspapers, television, radio, websites, social media, and other forms of media. It encompasses how people access, read, watch, listen to, and interact with news stories and information.

News Editing: This is the review and revision of news articles and stories to ensure accuracy, clarity, coherence, and adherence to journalistic standards before they are published or broadcast to the public.

News Gathering: This is the process of collecting information, facts, and data to create news stories and reports for dissemination to the public

Paywall Implementation: This refers to the act of restricting access to digital content, such as articles, videos, or other online materials, behind a paywall.

Subscription: A formal arrangement or agreement where an individual or entity agrees to receive and regularly pay for a service, product, or access to content over a specific period.

CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 Introduction

This project proposal delves into the multifaceted world of implementing paywall systems in the context of Kenyan media, with a case study of the Nation Media Group. Online news subscription, a burgeoning paradigm, offers a paid service granting access to news content from diverse online sources, enabling users to peruse articles, watch videos, and explore multimedia content on their preferred news websites without restrictions. Evidencing the growing digital shift, a 2021 report by the Kenya National Bureau of Statistics (KNBS) underscores that online audiences seeking news steadily comprise 28% of online searches.

Newman and Levy (2014) state that the surge in digital platform utilization has significantly bolstered the adoption of online news consumption, with some users even willing to pay for premium content. This seismic shift has consequentially led to reduced advertising revenue as advertisers for legacy media increasingly favour online platforms, particularly social media, and influencers.

As a result, news organizations find themselves grappling with the challenge of survival, compelling them to explore innovative avenues of generating additional income. Thus, this project seeks to examine lessons from media houses implementing paywalls, specifically the Nation Media Group (NMG).

According to Skjeret, F, Frode S, and Wyndham, T.G.A. (2019), media organizations aim to implement paywalls for long-term sustainability to weather economic uncertainties and shifting

advertising landscapes, ensuring they can continue to provide valuable journalism to their readers.

Most media houses are implementing paywalls as a strategic response to the challenges posed by the digital age. These paywalls enable them to diversify their revenue streams, monetize digital content, build subscriber loyalty, and invest in quality journalism while safeguarding their financial sustainability and independence Smith, J. (2019).

The financial sustainability of media outlets is critical for preserving independent journalism. Paywalls can help ensure that news organizations remain financially viable and capable of fulfilling their crucial role in providing checks and balances in society.

1.2 Background of the Study

The digital disruption has forced media houses in Kenya, just like in the rest of the world, to rethink their business models.

According to the State of Kenya's Media 2022 Report by the Media Council of Kenya, the disruption has led to increased consumption of news online in a country where digital penetration is high, due to the increased ownership of smartphones and other digital devices.

This has led to low consumption of news from traditional channels like newspapers and television.

The audience of today prefers to consume news instantly and through digital devices. This has left the media industry in a crisis given its survival was hinged on advertising which is the main source of revenue (Swila, 2022).

Advertising has long been the lifeblood of news organizations, providing a substantial portion of their revenue. However, this traditional revenue model has encountered substantial challenges in the digital age, putting significant pressure on news organizations worldwide. Kenya's major media outlets are no exception to this trend, facing increasing financial vulnerability as they grapple with the evolving economic landscape of the media industry (Ogola, 2022.)

The digital revolution has ushered in a new era of information consumption, with audiences increasingly turning to online platforms for news and entertainment. As a result, advertisers have also shifted their focus to digital channels, drawn by the promise of targeted advertising and a vast online audience. This shift has disrupted the traditional advertising revenue model that sustained many news organizations for decades.

As a result, media houses, particularly newspapers have resorted to mounting paywalls which already gained prominence in developed countries as a means of survival.

This transformative tide has propelled an upsurge in online news consumption, especially in a country with notable digital penetration, driven by the widespread ownership of smartphones and digital devices. This phenomenon has triggered a decline in the consumption of news from traditional channels such as newspapers and television.

Audiences exhibit a distinct preference for instantaneous digital news consumption, a trend that has left the traditional media industry grappling for its survival, given that advertising has long been its primary source of revenue Smith, J. (2019).

In light of these formidable challenges, media houses, particularly newspapers, have adopted paywalls, a model that has already gained prominence in developed countries as a means of survival.

1.3 Rationale of the Study

This project examines lessons from the Nation Media Group's experience in implementing paywalls. The choice of the Nation as a case study was informed by two reasons, the first being it pioneered paywalls in Kenya. Secondly, the Nation is the largest multi-media house in the country and its experiences provide crucial insights into the evolving media ecosystem in Kenya, including trends in the battle for survival. This is especially so because other media houses—The Standard and Radio Africa—promptly took a cue from the Nation and introduced paywalls on the platforms.

Assessing NMG's experience in implementing the paywall will offer critical insights into the success, challenges and strategies associated with this business model. Ultimately, the lessons will help inform industry practices, enrich editorial and commercial decision-making processes and provide a new lens for understanding the emergent business models and newsroom cultures.

1.4 Current Literature Review

The advent of the digital age has ushered in a profound transformation in the landscape of information dissemination, altering the fundamental dynamics of how information is accessed, consumed, and monetized. Kenya, like many other regions around the globe, has not been immune to the seismic shifts brought about by the digital revolution, particularly within the realm of media (Smith, 2019).

Traditional media outlets in Kenya, including newspapers and magazines, have grappled with a myriad of challenges as they seek to sustain their revenue streams. Among the most pressing challenges are the dwindling print circulation figures and the proliferation of online news platforms, which have fundamentally altered the media landscape. In response to these

challenges, many media organizations in Kenya have embarked on the implementation of paywalls – a system that fundamentally transforms the way online content is accessed.

The introduction of paywalls has had profound implications for the media ecosystem in Kenya. It represents a strategic shift in revenue generation strategies, as media outlets transition from traditional advertising-centric models to subscription-based ones. This shift has given rise to complex dynamics, impacting both the financial sustainability of media houses and the relationship between audiences and news providers.

On the one hand, paywalls have the potential to generate a stable and predictable income source, reducing media organizations' reliance on volatile advertising revenue. This shift towards diversified income streams is seen as a lifeline for media houses facing financial pressures and challenges in maintaining editorial independence and quality journalism.

On the other hand, the implementation of paywalls has raised questions about the accessibility of information and its implications for audience engagement. It challenges the notion of free access to news, requiring users to pay for online content. This change in access has prompted discussions about inclusivity and the potential exclusion of those who cannot afford subscription fees (Fletcher & Rasmus, 2017).

Furthermore, the advent of paywalls has implications for journalism ethics. The imperative to attract and retain paying subscribers may influence editorial decisions, potentially impacting the editorial independence and objectivity of media outlets. The quest for audience engagement and loyalty in a competitive media landscape has led to a renewed focus on delivering high-quality, exclusive content (Otieno, 2023).

The implementation of paywalls by media organizations in Kenya is therefore seen as a response to the challenges posed by the digital age, declining print circulation, and the rise of

online news platforms. This shift has far-reaching implications for revenue generation, audience engagement, and journalism ethics. As media organizations navigate this evolving landscape, they must strike a delicate balance between financial sustainability, accessibility of information, and the preservation of editorial independence and journalistic integrity.

1.4.1 Revenue Generation

One of the primary motivations for implementing paywalls is to generate revenue to support quality journalism. Numerous studies have shown that the adoption of paywalls can result in increased digital subscription revenue for media organizations (Chen (2015)). In the Kenyan context, media outlets such as NMG and Standard Group (SG) have introduced digital subscription models to monetize their content. Chen suggests that paywalls can be an effective revenue-generation strategy, but success depends on factors like content quality, pricing, and audience willingness to pay.

Traditional revenue streams for media organizations, particularly newspapers, have significantly declined. Declining print circulation and the proliferation of online platforms have challenged the sustainability of news outlets. As a response, many media organizations worldwide, including Kenya, have turned to paywalls as a primary revenue-generation strategy. The primary motivation behind implementing paywalls is to generate the necessary funds to support quality journalism which can no longer rely on advertisements which is shrinking.

In Kenya, media outlets are grappling with the implications of this transformation. Advertising revenues that were once a dependable source of income are now characterized by uncertainty and fluctuation. The competition for digital advertising dollars is fierce, and media organizations must adapt to this new reality to remain financially viable.

Moreover, the economic challenges faced by media houses in Kenya have further exacerbated their financial vulnerability. The country's media industry has encountered numerous hurdles, from declining print circulation to the rise of online news platforms and social media, all of which have contributed to a turbulent economic landscape. In this context, news organizations must seek innovative solutions to diversify their revenue streams and ensure their financial sustainability (Ogola, 2022).

Numerous empirical studies and industry reports have demonstrated that the adoption of paywalls can lead to a notable increase in digital subscription revenue for media organizations. Media outlets globally have reported success stories where paywall implementations have significantly contributed to their financial stability. These revenues are essential for maintaining high journalistic standards, investigative reporting, and overall newsroom operations (Chiou & Tucker, 2013).

In the context of Kenya, media outlets such as The Nation Media Group, The Standard Group and The Star have introduced digital subscription models as a means to monetize their digital content. These prominent media organizations recognized the need to diversify their revenue sources and invest in quality journalism to serve their audiences effectively. By offering premium content behind paywalls, they aim to tap into the willingness of their readers to pay for exclusive, reliable, and well-researched news.

Media houses implementing paywalls in Kenya have struggled to secure the necessary funds to invest in the required technologies, including Artificial Intelligence (AI), to manage their paywall systems.

1.4.2 Audience Engagement

The implementation of paywalls has raised questions about its impact on audience engagement. Some argue that paywalls could limit access to important information, particularly for those who cannot afford to pay for news. However, others believe that paywalls can improve the quality of journalism by incentivizing media organizations to produce valuable, unique, and in-depth content. Nielsen and Graves (2017) found that audience engagement with digital news increased when users perceived the content as valuable and worth paying for.

Critics of paywalls argue that they have the potential to restrict access to important news and information. The concern is that by placing content behind a paywall, media organizations may exclude segments of the population who cannot afford to subscribe or pay for news. This could result in a digital divide, where only those with disposable income can access quality journalism.

Additionally, some worry that essential news, such as public service announcements, emergency updates, and critical information, might be hidden behind paywalls, depriving the broader public of vital knowledge (Chiou & Tucker, 2013).

1.4.3 Implications for Journalism Ethics

Paywalls can also influence journalism ethics and standards. Journalists and media outlets must strike a balance between providing essential information to the public and protecting their revenue streams. The introduction of paywalls may lead to concerns about the commodification of news and the prioritization of profit over public service. Ward (2018) stresses the need for transparency in the implementation of paywalls and ethical considerations in deciding what content remains freely accessible.

Paywalls introduce a dilemma for journalists and media outlets. On one hand, they need to generate revenue to sustain their operations, particularly in an era of declining advertising income. On the other hand, journalists have an ethical duty to provide the public with vital information, especially news that serves the public interest, informs citizens, and holds those in power accountable.

Critics of paywalls argue that they can contribute to the commodification of news, where journalism becomes a product to be sold rather than a public service. When news organizations prioritize profit over public service, there is a risk that journalism could be tailored to attract paying subscribers rather than adhering to journalistic principles such as objectivity, impartiality, and accuracy.

1.4.4 Competition and Market Dynamics

Kenya's media landscape is highly competitive, with numerous digital news platforms vying for readership. The introduction of paywalls may impact market dynamics, potentially leading to consolidation among media organizations. Smith (2019) indicates that smaller and niche publications may face challenges in implementing paywalls due to competition from larger, more established outlets.

The industry is also marked by fierce competition among various digital news outlets. These outlets strive to capture the attention of a diverse and discerning audience. The introduction of paywalls can alter the competitive landscape by creating a distinction between those outlets that offer free access and those that require paid subscriptions. Further, Smith suggests that the implementation of paywalls may lead to consolidation within the media industry.

Larger media organizations typically have more extensive resources, including editorial teams, technology infrastructure, and marketing capabilities. This advantage can enable them to

produce higher-quality content, invest in digital innovations, and effectively market their paid subscriptions. Smaller or more niche publications may struggle to match these resources and content quality.

The competitive nature of Kenya's media landscape has led to a diversity of voices and perspectives. However, the introduction of paywalls could limit access to a variety of news sources. If smaller or niche publications face challenges in implementing paywalls, it may result in a reduction in the diversity of voices in the media ecosystem (Chiou & Tucker, 2013).

1.4.5 Digital Divide and Access to Information

Access to the internet remains uneven in Kenya, with urban areas enjoying better connectivity than rural regions (Otieno, 2023). The introduction of paywalls may exacerbate the digital divide by limiting access to information for those without the means to pay for news. Ensuring that essential news remains accessible to all is a critical consideration in the implementation of paywalls.

Kenya, like many countries, faces a digital divide characterized by disparities in internet access and connectivity between urban and rural areas. Urban regions generally enjoy better infrastructure, including broadband access, while rural areas often have limited or unreliable internet connectivity. This divide is exacerbated by socioeconomic factors, with wealthier individuals and urban residents more likely to have consistent internet access.

Smith (2019) states that paywalls have the potential to worsen the existing information divide. When media organizations implement paywalls, they restrict access to digital content, making it inaccessible to those who cannot afford to pay for subscriptions. This can further limit the information available to individuals in underserved or rural areas who already face challenges in accessing the internet and digital news.

Quality journalism is a critical component of a healthy democracy. However, if paywalls limit access to quality news and information primarily to those with the means to pay, it can lead to inequity in access to accurate and trustworthy journalism. This means that individuals in rural areas or with limited financial resources may miss out on essential news.

1.4.6 Resistance to Change and Declining Subscribers

The implementation of paywalls marked a significant shift in the operations of media houses, and it was not without its challenges. One of the initial hurdles encountered was internal resistance within the organizations themselves. Staff members, from reporters to editors, had to adapt to this new approach, which placed a premium on subscriber-focused content and the monetization of previously freely accessible material. This transition represented a substantial cultural shift, requiring employees to grasp the value of the content they produced and its direct impact on revenue generation (Chiou & Tucker, 2013).

As the paywall strategy matured, media organizations faced a notable decline in their subscriber base. This posed a considerable challenge as existing subscribers began to dwindle. Simultaneously, acquiring new subscribers became increasingly arduous. Many individuals chose to migrate to free channels and social media platforms for their content needs, drawn by the allure of accessible, no-cost information.

The allure of free content on social media and other online platforms has been a significant factor in the migration away from paywall-based news sources. In a digital landscape where a wealth of information is readily available without charge, convincing users to pay for previously free content has proven to be a formidable challenge. Media organizations have had to grapple with this shift in audience behaviour, exploring strategies to maintain subscriber loyalty and attract new paying users.

The introduction of paywalls within media houses marked a transformative moment that brought about both internal and external challenges. Navigating the internal cultural shift, retaining subscribers, and acquiring new ones in a landscape characterized by free content options and social media have all been significant hurdles in the journey toward establishing sustainable revenue models in the digital age.

1.5 Problem Statement

In Kenya, media houses that ventured into online news subscriptions, including the implementation of paywalls, have encountered formidable challenges primarily attributable to the availability of free news content. Consequently, the revenue models of these media organizations have faced significant strain, compelling a reevaluation of their adoption. This project proposal aims to delve into the challenges confronted and the valuable lessons learned by Kenyan media houses that have taken the plunge into implementing paywall systems.

Kenya, recognized as a pioneering tech leader in Africa, witnessed a pivotal moment in its media landscape in 2021 when two major news publishers, the Nation Media Group and the Standard Group, became early adopters of paywalls (Scire, 2021). While the acceptance of the paywall business model has been gradually unfolding in Kenya's media industry, online users have displayed a measured response, leading to a more gradual pace of registration and adoption (Chege, 2022). A notable illustration of this phenomenon is the experience of the Nairobi-based Nation Media Group, which reported a five-month journey to register 200,000 users without charge as of January 2021 (Nation Media Group, 2021).

However, a crucial observation emerges from this scenario: the majority of these registered users have not opted for extended rolling monthly or annual subscriptions (Maher, 2022). Instead, the company has placed its faith in users opting to pay for daily access through

micropayments on their smartphones, based on their immediate needs. Remarkably, an overwhelming 80 per cent of NMG's subscribers have gravitated towards this on-demand access approach.

This low adoption rate, with only 20 per cent choosing longer-term subscription plans, presents a significant challenge to media sustainability (Kenya National Bureau of Statistics, 2021; Nation Media Group Plc, 2021; Price Waterhouse Coopers, 2021). To ensure the viability of their businesses and to fulfil their crucial role in serving the people of Kenya, the news media industry must undertake a pivotal reinvention of its business model. This reinvention should encompass an adaptation to evolving audience preferences, securing their future in a constantly evolving media landscape.

1.6 Objectives

1.6.1 Main Objective

This study aims to establish the impact of the implementation of the paywalls by media houses, particularly the Nation Media Group, which was the first to mount a paywall in Kenya. Three major newspapers in Kenya, including Nation, Standard, and The Star, have experimented with paywalls, and their experiences provide valuable insights into the challenges and opportunities associated with this model.

1.6.2 Specific Objectives

1. To examine the process of the paywall implementation by Nation Media Group.
2. To establish the challenges and opportunities in implementing paywalls.
3. Explore the Role of Alternative Revenue Models.

1.6.3 Research Questions

1. What lessons did Nation Media Group learn from the paywall implementation?
 - What factors motivated the introduction of the paywall?
 - How did Nation Media Group implement the paywall?
 - What were the Outcomes on revenue, readership, Newsroom behaviour and revenue diversifications?
2. What has been the impact of paywalls on the news-making process at Nation Media Group?
 - Newsgathering and processing
 - Journalists' perception and experiences
 - Quality control and management
 - Reader/Audience response: accessing paywall and feedback on the quality of stories
3. What are the implications of paywall implementation on the broader media landscape, including the competitive dynamics and market structure in Kenya?
 - Analysis of the sustainability of paywalls as an alternative revenue source for media in Kenya
 - How do the experiences of Kenya compare with global trends and best practices in the implementation of paywalls for news content?

1.7 Methodology

This study employs qualitative research methods, ideally suited for a case study. A case study approach allows for in-depth exploration of a specific program, event, activity, or process within one or more individuals or organizations (Creswell, 2003). Qualitative research involves collecting and analyzing non-numerical data like text, opinions and or experiences by participants and therefore it is best suited for this research. It is particularly ideal for this

research because it seeks to understand real experiences by Nation Media Group Editors, Journalists and the Commercial section on the impact of the paywall.

The study will centre around top editors and journalists at the Nation Media Group as well as executives in the commercial section.

The primary data collection method for this research is the distribution of questionnaires to the selected target group, allowing for a comprehensive understanding of their experiences, insights, and perspectives on the implementation of paywalls. Additionally, interviews and content analysis were used to supplement the questionnaire data, ensuring a well-rounded examination of the case study.

1.7.1 Sample Size

To accomplish this study, the researcher purposively selected participants who have information that is relevant to the study and who play key roles in the implementation of the paywall at the Nation Media Group.

Lavrakos (2008) states that this sampling technique is ideal when a researcher is seeking information from specific people or a group of people who have information that is required to address the study objectives.

The researcher, therefore, interviewed a top Online Managing Editor who was instrumental in implementing the paywall at the Nation Media Group, an Editor who was driving the paywall implementation process, three journalists and two Commercial Executives. To get a broader view of the paywall ecosystem in Kenya, the researcher spoke to four senior editors and media

executives from the Standard and Star. Here focus was on newsroom and reader responses to the paywalls.

1.8 Scope and Limitations of the Study

This study's primary focus is on the Nation Media Group, which played a pioneering role in introducing paywalls in Kenya. It examines the impact and challenges encountered, lessons learned, and opportunities for improving the implementation of paywalls.

The limitations of the study include a specific focus on one media house and the challenges associated with obtaining comprehensive and accurate data, as media houses may be reluctant to disclose specific financial or operational information. Acknowledging this challenge, the researcher triangulated findings from the interviews with closer readings of experiences from other countries and spoke to four senior editors and media executives from other companies. This provided invaluable insights in interpreting the data.

1.9 Structure of the Document

Chapter One introduces the topic of the study, the background, the current literature review as well as the objectives, scope and limitations. Chapter Two details the findings of the study, while Chapter Three is a record of the conclusions drawn from the study along with the researcher's recommendations.

1.10 Summary

This chapter serves as an introduction to the research, providing a background on the current status of paywall implementation in Kenya. It outlines the rationale for focusing on Nation

Media Group (NMG), the pioneer of paywalls in the country. The chapter also delineates the research objectives, methodology, scope, and limitations, and justifies the suitability of the chosen research methodology.

CHAPTER TWO

ANALYSIS AND PRESENTATION OF FINDINGS

2.1 Introduction

The findings of the study are presented in this chapter. This includes responses from the respondents which are analyzed and presented from the key objectives of the study.

The researcher has triangulated data from Key Informant Interviews (KII) and Desk Reviews to get a deeper understanding of the study objective. The researcher also relied on the most recent studies by the Reuters Institute Oxford University as well as Nation Media Group's internal documents to help contextualize the study.

Key respondents include a top Managing Editor Online (MEO) who was instrumental in implementing the paywall at the Nation Media Group, an Editor who was driving the paywall implementation process, three journalists and two Commercial Executives.

Therefore, responses from the Managing Editor Online will be attributed by initials MEO while quotes from Key Informants will be attributed by KII.

The MEO was instrumental in this study because he was charged with the responsibility of driving the shift into the paywall system and has crucial information that was key for this study.

An Editor working under the Online Managing Editor was also instrumental in this study because he was charged with the responsibility of managing content that goes online for the new paywall system.

The researcher also interviewed two journalists working under the Online Editor because they were tasked to write well-researched stories that can be monetized.

The researcher also spoke to two commercial executives who were able to shed light on revenues from the paywall. Also interviewed were two senior editors, one each from The Standard and The Star.

This study achieved a 100 per cent response rate.

2.2 Findings

2.2.1 The Implementation Process of the Paywall

This objective was key in establishing the whole implementation process of the paywall by the Nation Media Group. This includes content quality and the determination of which content qualifies for the paywall, what the media house learnt on diversification and the viability of paywalls as an alternative revenue source.

According to the Managing Editor in charge of the Online section, the idea of coming up with a paywall was a result of declining revenue from advertisements since 2013.

NMG saw its revenue plateau in 2013 and start on a steady slowdown over the following five years, with the drop getting more serious with every new year. While paywalls had been tried in the developed world, there was serious doubt whether there was an addressable paying audience in the developing world, especially Kenya. NMG, as a market leader, felt dutiful that it must lead the industry in exploring new ways of business. Lots of research went into generating reliable data to help build a realistic revenue model that fits the local context. (MEO).

On who the audience was for the paywall, the Online Managing Editor said NMG was out to serve a varied audience.

The Nation served an audience varied in interests and demographics, but the paywall was designed to address just a sub-set of this general audience. We projected that it would only be possible to convert only about 2% (two per cent) of the millions of people who visited NMG digital platforms monthly. We therefore built systems and processes to target relevant content to this premium audience, and to deploy relevant technology that matches their preferences. (MEO).

On lessons learnt in the paywall implementation, as the top Editor charged with driving change, the Editor said the entire organization must buy into the idea for it to succeed. He said the main challenge was resistance to change at all levels.

One, executive leadership is critical. You need enough seats in the leadership team occupied by true evangelists of the new culture. Secondly, you need to let the new culture take root and grow – time. (MEO).

This was corroborated by the editors from the Standard and The Star, who said having editors drive the process with a voice in the C-Suite was critical for success.

This study established that media houses must ensure that paying subscribers have smooth and uninterrupted access to paid content. This is crucial for maintaining a positive user experience and subscriber retention.

The study also established that it is imperative to have experienced newsroom leaders at the top to implement the paywall, by ensuring they undergo adequate training.

A technical staff member who responded to our interview at Nation Media Group said the major challenge they faced in the implementation of the paywall was complaints from subscribers who had difficulties accessing content online even after paying or in the process of paying.

The researcher established that complaints from subscribers who experience difficulties accessing content online, especially after paying or during the payment process, can indeed be a significant challenge in the implementation of a paywall. Addressing these concerns is crucial to maintain subscriber satisfaction and minimize subscriber churn.

Payment-related issues are a common challenge that we often address because it is a source of frustration for our subscribers. Most subscribers called or wrote to us saying they were experiencing payment failures, delays in processing, or confusion during the payment process and we had to introduce multiple payment methods and currencies and user-friendly payment instructions and error messages but we still face these challenges to date. (KII)

2.2.2 Challenges and Opportunities of Implementing Paywalls

The second objective of this study sought to understand the challenges and opportunities NMG faced or identified in the process of mounting and implementing the paywall. This includes the Newsroom behaviour and response and perception by journalists and the editorial team to the paywall.

An Editor who was charged with determining content for the paywall said most journalists welcomed the new venture and were eager to source for its content.

But while they expected that more work would be compensated with more pay, they were demoralized when no reward came their way. The same was reported at the Standard and Star.

Many journalists in our newsroom saw paywalls as an opportunity for growth and embraced it heartily. The major challenge came in the reality that it came with more work without necessarily more pay. Many are instances when people we given more responsibilities without more compensation, and this takes a lot of toll. (KII)

This study established that internal resistance to change is a major hindrance to media houses implementing the paywall, particularly at the Nation Media Group as explained by the Managing Editor in charge of Online.

This is largely because journalists undertaking this venture expected monetary financial reward for the extra work.

This is a multifaceted challenge that media houses face when implementing paywalls in Kenya. As the Editor explains, organizations need effective communication, collaboration among different departments, and a clear strategy that addresses the concerns and considerations of various stakeholders to successfully navigate this challenge.

Lots of internal resistance and organizational politics came in the way. A lot of it was anticipated and planned for. But I think we underrated the anxiety levels that the paywall created internally and the fears many had to deal with. (MEO).

On how the paywall was perceived by the audience and its impact on NMG, the Managing Editor in charge of Online said the new venture came with its challenges.

This includes the loss of the solid online readership the media house had as they opted for free content offered by the competition and social media.

When we started the paywall, we segmented content into premium and non-premium, but we ended up losing a lot of loyal readers online and our pageviews reduced across all our platforms online. This started from the registration point where readers are required to register before they can proceed to access content. Our internal study showed that users were logging off as soon as they encountered the paywall. This prompted us to suspend the paywall for some time before we brought it back up again. (MEO).

The researcher sought to establish from the Managing Editor in charge of Online what he could have done differently were he to face a similar challenge.

I would not have suspended the paywall as NMG did in June 2022, it was a very costly decision. Secondly, I would have invested more in growing local expertise given the need to sustain the change project over multiple years. (MEO).

Two NMG journalists in the online section who were interviewed by this researcher said the major challenge they faced was the media house failing to recognize the Reporters working on the online section, where the content was monetized, with more pay because they were doing more.

This to me was additional work because I was still required to contribute stories to the [news]paper and the other online sections where content was not monetized. (KII)

Another Reporter who responded to questions from this researcher said Editors were to blame for the slow uptake of content on the paywall because they started putting up content which should not have been monetized.

I think they (Editors) were under pressure to ensure the paywall works and they ended up publishing any story and locking it behind the paywall and I believe that is the reason we lost readers. (KII)

This study established that Nation Media Group was facing the challenges of subscribers copying and redistributing content.

This is a major challenge we face because we invest heavily in sourcing and creating content for paywall only to end up as free content elsewhere when subscribers copy and distribute it to other websites or through various channels, making it available for free. (KII)

2.2.3 Role of Alternative Revenue Models in the Media Business

This third objective of the study sought to analyze what paywalls mean for the media for sustainability and how viable the model is.

The study established that paywalls remain a new venture that is still in the experiment stage in the Kenyan media, particularly NMG which was a pioneer in its implementation.

The media house has not yet identified it as a stable alternative revenue source even though it is implementing it.

This is mainly because of the existing alternative news sources that do not charge and this is made even worse by social media.

The Online Managing Editor interviewed by this researcher was clear that it is too soon to conclude that paywalls are an alternative source of revenue for the Kenyan media.

The truth is we don't know. Nobody knows whether paywalls in Africa/Kenya can be reliable alternative revenue sources. Key is that part of implementing a paywall is the need to create market/public awareness, and also to invoke learnings in the audience. It is a major culture change project both in the newsroom and in the market/audience. You have to shift and grow with your audience. You cannot just focus on internal issues and hope that the audience will come along. But there are signs that it has potential – we see lots of youthful people embracing e-commerce as a first preference, and also connecting well with premium content such as Netflix. (MEO)

On lessons learnt, the Online Managing Editor said Kenya has a long way to convince readers to pay for news content which they can access elsewhere for free, including on social media.

It needs years to take root, with lots of lessons for the staff and the audience along the way. The two interact and influence each other over time, hence no two paywalls are ever the same. Some have found an opportunity to merge their paywalls to their circulation – hence having access to one automatically affords you the other. Bottomline is growing loyalty to your content, allowing the audience to choose how to consume it, and finding ways to monetize in different ways, including indirectly such as through events. The thing about news content is that it is addictive, the more people read the more they will want more. (MEO)

This researcher sought to understand from the Commercial section at NMG whether revenue from the paywall can sustain the media house.

All the Commercial Executives who responded to the research interview said revenue from the paywall cannot be compared to what was generated from the newspaper.

It (revenue) was a drop in the ocean when you compare it to what is generated from the newspaper. I think we have a long way to go to fully rely on revenue from the paywall because it is evident the audience in this part of the world is not yet willing to pay for news content.

(KII)

This study, therefore, established that the media in Kenya is facing a major challenge in implementing the paywall because the audience still prefers free news.

This is a key challenge faced by Kenyan media organizations as they navigate the implementation of paywalls. Convincing audiences to shift from a culture of free news consumption to paid subscriptions requires strategic approaches that consider the factors influencing audience preferences and the value proposition offered by media outlets.

It is not what we expected because it took us time to see the number of subscriptions grow online. But when we started it, we expected that we would have half or more of our existing readers online subscribe to the paywall. (KII)

2.3 Summary

This chapter provides the findings from the impact of the implementation of the paywall by the Nation Media Group. It analyses the process of the paywall implementation, the challenges faced and the opportunities brought about by the paywall.

It sought to understand how the paywall business model affects both the media organization and its audience. The findings highlighted in this chapter are based on in-depth interviews with key respondents at the media house.

The researcher has analyzed the findings regarding the three key objectives of the study.

In the next chapter, the researcher presents the discussions, conclusions and recommendations based on the findings.

CHAPTER THREE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

3.1 Introduction

This chapter encompasses the examination of findings derived from the study, along with their interpretation in alignment with the existing literature. Additionally, the chapter offers conclusions drawn from the discourse on key findings and provides recommendations. Furthermore, it identifies specific domains that warrant further research exploration.

3.2 Discussion of the Key Findings and Conclusions

Below are the discussions of key findings and conclusions on ways of implementing a successful paywall.

3.2.1 Analysis of the Paywall Implementation Process by Nation Media Group

The first research objective sought to examine the implementation process of the paywall with emphasis on the content quality, learnings by the media house and the viability of the paywall.

Findings in this study show that NMG opted for the paywall as an alternative source of revenue due to the declining advertisements but faced several challenges.

It first started by commissioning various studies before implementing the paywall which it considered a solution to future sustainability

The researcher established that Nation Media Group targeted varied audiences and demographics but was only targeting to convert only about 2% (two per cent) of the millions of people who visited NMG digital platforms monthly.

It started by building systems and processes to target relevant content to this premium audience and to deploy relevant technology that matches their preferences.

Smith, J. (2020) states that for any paywall implementation to succeed, proper research must be conducted to understand the audience's needs.

This study established that Nation Media Group faced a major challenge in implementing the paywall due to internal resistance, particularly in the Editorial.

It took time for the paywall culture to take root in the newsroom.

This is well captured by Jones, A. (2019) who analyses challenges faced in the implementation of digital paywalls, among them internal resistance and why proper research must be conducted before implementation.

Other challenges encountered by NMG in the implementation of the paywall, as established by this study, include technical issues which hindered access to the content behind the paywall.

Hence, media organizations must guarantee seamless and uninterrupted access to paid content for their subscribers. This serves as a fundamental component in preserving a positive user experience and ensuring subscriber retention.

During the research, it was evident that subscribers encountered obstacles when trying to access online content, both during the payment process and even after completing payments. The study confirmed that addressing these challenges is of utmost importance, as it significantly impacts subscriber satisfaction and plays a vital role in reducing subscriber attrition.

This study established that the Nation Media Group has not fully embraced the paywall as a highly effective and sustainable method for monetizing online content. This hesitance is primarily attributed to low subscription rates, as the majority of the audience in Kenya continues to favour freely accessible content. In Kenya, the prevailing trend is that the majority of websites provide content for free, with only a few exceptions such as The Nation Newspaper, The Star, and The Standard, which have implemented partial content monetization strategies online. Consequently, the concept of content monetization has yet to firmly establish itself in Kenya's online landscape. As Smith, J. (2019) states, content monetization takes time before it can take root.

3.2.2 Challenges and Opportunities in Implementing Paywalls

The second research objective tackled the challenges Nation Media Group faced in the implementation of the paywall while analyzing the newsroom behaviour and the response from the audience.

The study, therefore, established that there was audience resistance to paying for previously free content. This is because many internet users are accustomed to accessing content without cost, and transitioning to a subscription-based model can face pushback.

The shift from free access to a paywall model requires a significant change in user behaviour. It's common for users to resist paying for content they've historically accessed for free, and this resistance can manifest as a reluctance to subscribe. (Castells, 2016).

There was also low subscription and NMG faced a struggle to convince the audience to subscribe to premium content because they felt that most of the content behind the paywall was not exclusive content worth monetizing. This was due to free information which is readily available on other platforms.

The introduction of a paywall, regardless of the timing, does not appear to significantly influence the demand response, as highlighted by Skjeret, Steen, and Wyndham (2019). In a digital landscape saturated with readily available free content, Chiou and Tucker (2013) identified a new set of challenges for news media organizations in managing access and determining the pricing of their content. The dilemma between offering content for free or implementing a "paywall" payment model remains a point of uncertainty. Chiou and Tucker conducted an analysis utilizing experimental variations from a field test of paywalls conducted by a media publisher across diverse local media markets. Their findings revealed a notable 51% decrease in website visits following the implementation of a paywall, with a particularly pronounced decline among younger readers.

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).

According to Jones, A. (2019), getting users to commit to a paid subscription in a digital landscape overflowing with free content can be challenging. This demands a compelling value proposition that differentiates the paid offering.

This, therefore, calls for consistent high-quality content to justify subscription fees and the pressure to deliver premium content was one of the challenges NMG faced in implementing the paywall.

The existence of free news through social networks has increased the dissemination of free information (Jansson & Lindell, 2015; Cingel, Lauricella, Wartella, & Conway, 2014).

According to Jones, A. (2019), Media organizations implementing paywalls must recognize that subscribers expect exceptional content in exchange for their payments. Ensuring this level of quality consistently over time is a formidable challenge.

This study also established that technical challenges related to payments, login procedures, or content access can undermine the user experience and cause frustration among subscribers and this was one of the major challenges NMG faced.

Technical issues, such as payment processing errors or difficulties accessing content, can erode subscriber confidence. Swiftly addressing and resolving these issues is crucial to sustain subscriber satisfaction.

Media organizations face intense competition from both free content providers and other paywalled sites. Standing out and attracting subscribers in a crowded market can be an uphill battle.

This study established that in a competitive landscape, media organizations must devise unique strategies to differentiate themselves from free alternatives and other paywalled competitors. This requires a keen understanding of their target audience and market positioning.

This study further established that paywalled content is not immune to piracy, as some subscribers may share or copy content without authorization, potentially impacting revenue, a challenge also faced by NMG.

Content piracy remains a concern in the digital age, even within paywall-protected environments. Media organizations need to employ effective anti-piracy measures to safeguard their revenue streams.

The researcher established that while the adoption of the paywall business model in the Kenyan media industry is gradually gaining momentum, online users have been relatively slow in fully embracing it, resulting in a more gradual registration or adoption process (Chege, 2022). To illustrate, the Nation Media Group, based in Nairobi, reported that it took five months to secure registrations from 200,000 users at no cost, as of January 2021 (Nation Media Group, 2021).

However, it's noteworthy that the majority of these registered users do not opt for a rolling monthly or annual subscription (Maher, 2022). Instead, Maher highlights that the company is placing its bets on users choosing to pay for daily access through micropayments on their smartphones whenever the need arises. In fact, approximately 80 per cent of NMG's subscribers have opted for this on-demand access approach.

In conclusion, these challenges, as illuminated by the hypothetical scholars, emphasize the intricate nature of the hurdles that media organizations encounter when deploying paywalls. As the researcher established successfully tackling these challenges demands a strategic mindset, continual adaptability, and a deep comprehension of user behavior and the ever-changing dynamics of the market.

3.2.3 Explore the Role of Alternative Revenue Models

The study's examination of paywalls in the Kenyan media industry, with a particular focus on the pioneering efforts of the Nation Media Group (NMG), reveals both potential opportunities and significant challenges.

Despite being implemented, paywalls in Kenya are still in their experimental phase, and their role as a stable alternative revenue source for media organizations remains uncertain.

This ambiguity arises primarily from the prevalence of alternative free news sources and the formidable influence of social media platforms, which provide readily accessible news content.

Furthermore, the study underscores the intricate nature of paywall implementation, necessitating not only the creation of public awareness but also a cultural shift within newsrooms to adapt to evolving audience preferences.

In conclusion, the findings of the study suggest that the media landscape in Kenya faces a substantial challenge in fully embracing paywalls. Convincing audiences accustomed to free news to transition to paid subscriptions demands strategic approaches that consider the factors influencing audience preferences and the value proposition offered by media outlets.

While the potential is evident, the path toward making paywalls a viable alternative revenue source in Kenya's media ecosystem is complex and requires careful adaptation to changing dynamics and audience behaviours over time.

Alternative revenue models, such as paywalls, have been steadily making their presence felt within the Kenyan media landscape, ushering in both opportunities and challenges for media organizations. These models offer a multifaceted approach to reshaping the financial ecosystem of the industry:

Traditionally reliant on advertising, this study established that media organizations are increasingly exploring paywalls as a method to reduce their dependence on advertising revenue, particularly in the digital age.

As seen in the Case study of NMG, paywalls facilitate the monetization of high-quality content, essentially catalyzing investments in investigative journalism, comprehensive analysis, and

editorial independence. This not only strengthens the credibility of media outlets but also fosters a well-informed society.

The study showed that the competition brought about by paywalls drives an improvement in content quality across the Kenyan media landscape. As media outlets vie for paying subscribers, the emphasis on delivering valuable and exclusive content is resulting in a higher overall standard of journalism.

Furthermore, the role of paywalls extends to the sustainability of journalism in Kenya. By furnishing a stable source of income, paywalls support the production of quality journalism, especially in a period where media organizations grapple with financial constraints.

Paywalls also foster user engagement and loyalty among subscribers. Those who invest in content through subscription are more inclined to become committed readers, strengthening the relationship between the audience and media outlets.

Notably, paywalls contribute to the preservation of the local news ecosystem. These models buttress local journalism by generating revenue streams for regional media organizations, ensuring the availability of community-specific news and information.

In the age of data-driven decision-making, paywalls provide valuable user data through registrations, which, when leveraged appropriately, can lead to content and advertising personalization. This personalization enhances user satisfaction and potentially boosts ad revenue.

But as seen in the case of NMG, convincing internet users accustomed to free content to adopt paywalls remains an uphill battle. Additionally, competition with free content providers, content piracy concerns, and technical glitches pose obstacles.

This study established that the presence of easily accessible free websites has a profound impact on individuals' willingness to pay for content hidden behind paywalls. The internet has solidified a culture of free content consumption, where users have become accustomed to accessing information without monetary constraints, as observed by Chi and Yang (2019). Surveys consistently report that the percentage of readers willing to pay for online news information remains stagnant at around 10 to 15 per cent, with no significant increase observed in recent years (Price Waterhouse Coopers, 2021; Reuters Institute Oxford University, 2011-2016). If their preferred website opts for a paid news model, a staggering 74% of consumers express a readiness to seek alternative free access options (Jere & Borain, 2018). This inclination is further bolstered by the principles of Web 2.0, characterized by collaboration and information sharing, often disregarding conventional notions of intellectual property when disseminating others' information.

In response to these challenges, alternative revenue models are emerging, including native advertising, sponsored content, and events, offering additional avenues for income generation and audience engagement.

Media organizations are also exploring collaborations and partnerships with other entities as potential revenue sources. These collaborations encompass content syndication, co-branded events, and sponsored content deals.

The findings of this study show that alternative revenue models, particularly paywalls, wield a significant influence in Kenya's media landscape because they diversify income sources, elevate content quality, and bolster journalism's sustainability. Yet, the path is not without its challenges, necessitating strategic adaptations and a deep understanding of evolving market dynamics and user preferences for long-term success.

3.3 Recommendations

The study findings offer several key recommendations for media organizations considering the implementation of paywalls.

Firstly, conducting comprehensive audience research is paramount. This research is essential for understanding the specific needs and preferences of the target audience, enabling media houses to determine which types of content should be placed behind paywalls.

To succeed in the paywall model, investing in high-quality journalism is a prerequisite. Content worth monetizing is content that offers unique value and cannot be readily accessed for free on social media and other platforms. Therefore, media organizations planning content monetization must ensure that the content they offer is of exceptional quality and provides a distinct experience.

Internally, media organizations must ensure that the concept of content monetization is well-received and accepted by the entire staff. Internal buy-in and support are essential to avoid internal resistance and ensure a smooth implementation process.

Additionally, investing in the necessary infrastructure is imperative. Proper infrastructure ensures that the audience does not encounter difficulties when attempting to pay or subscribe for content. A seamless and user-friendly experience is crucial to prevent discouraging potential subscribers, ultimately driving them toward alternative free sources. In essence, these recommendations underscore the importance of thorough research, content quality, internal alignment, and infrastructure investment in the successful implementation of paywalls by media organizations.

PROJECT DOCUMENT

Guidelines on implementing a successful paywall

Successfully capitalizing on digital content through paywalls demands careful strategizing as shown in Figure 1, illustrating the guidelines for successful implementation of paywalls by media houses.

Five Guidelines on implementing a successful paywall:

1. Conduct research to be able to understand your audience and their needs before rolling out a paywall. This helps a media house to know what content should be monetized and the consumption habits of the target audience.
2. Choose a suitable paywall gateway platform that is user-friendly to the audience. This will ensure seamless integration of the website to the paywall system to avoid challenges where the readers can't access paywalled content even after successful subscriptions. By so doing, a media house must take into consideration all payment methods to be able to cater for the needs and preferences of all users including card payment, mobile and others.
3. Set competitive prices: Paywalls should not act as deterrents or a form of exploitation. Therefore, to ensure a successful paywall, set competitive prices that attract subscribers. In this case, users must be given choices, that include single article subscription, daily, monthly and annually to cater for the needs of a diverse audience and their purchase power. And to make it even more attractive, introduce promotions and discounts. For starters, media houses should introduce free registration and subscription for a week or month to be able to attract more audience.
4. Set high standards on the type of content to be monetized to give the audience value for their money. Paywalled content should be well-researched and not any other that can be

accessed for free in other channels. This, therefore, calls for investment in high-quality journalism which must be consistent.

5. Pay attention to user feedback: This can be made possible by introducing a feedback mechanism to be able to understand user experience and what should be improved or what kind of content users prefer. Successful paywall models must be able to act on feedback from the audience by consistently monitoring user analytics.

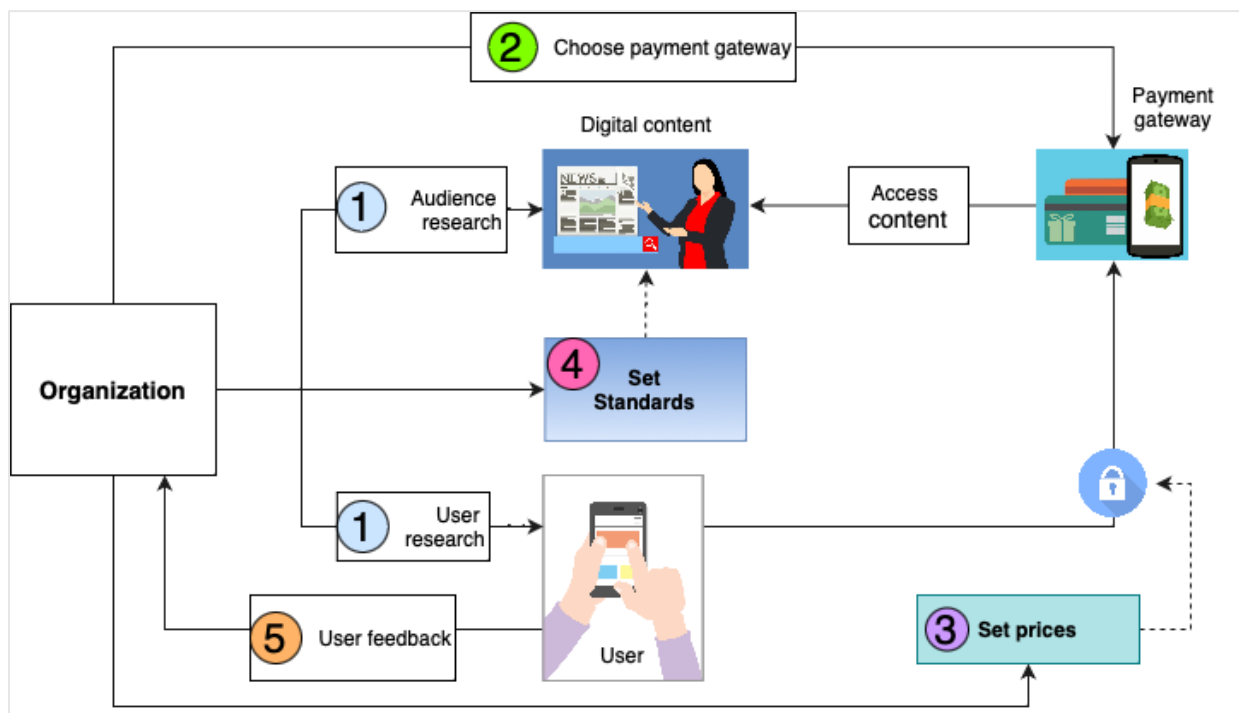


Figure 1: An illustration of the five guidelines useful for media houses to implement a successful paywall system.

This project is crucial because it seeks to solve the problem media houses are facing in implementing the paywall as a source of revenue in the wake of digital disruption that has led to diminished advertisements.

It highlights solutions on how to determine a suitable infrastructure to mount the paywall as well as content to be monetized and the need to retrain journalists to enable them to understand how to produce paywall content.

To implement a successful paywall, a media house should first research to understand the audience needs and the entire paywall implementation should take between 9 months and 1 year. Media houses should avoid hurrying the process because it will be costly in the end.

PROCESS OF IMPLEMENTING A PAYWALL

The implementation of a successful paywall by media houses can be achieved through the following steps, illustrated in Figure 2.

1. **Project Initiation:** This should take 1-3 weeks and involve defining the project's objectives, scope, and goals. It will also involve the identification of key stakeholders and establishing the team to undertake the project alongside the development of a project charter that outlines the project's purpose and responsibilities.
2. **Market Research and Analysis:** This should take 2-3 weeks to understand your target audience, competitors, and pricing models. At this stage, you will also be able to understand the internal staff on how they perceive the paywall. Analyze the demand for premium content and willingness to pay among the audience.
3. **Analyze the technology and payment gateway to be used:** This should take 4-5 weeks and involve the evaluation of the Content Management System (CMS) and entire website infrastructure where the paywall will be mounted.
4. **Content Strategy:** This process should take 3-5 weeks and involves assembling the entire content team which involves Editors, Subeditors, Writers and other critical staff. Decide on the content offerings that include free and premium packages.
5. **Develop the Paywall system:** This should take between 8-10 weeks and involves developing and designing the paywall backend infrastructure, user registration, login, payment processing, user interfaces and subscription as well as a feedback mechanism.

6. Subscription and Billing system: In 2-4 weeks, assemble billing system experts and, a finance team who will set up a billing system for subscription management in compliance with existing regulations.
7. Testing and Quality Assurance: This phase should take 2-3 weeks and involves testing of the paywall system, including registration, payments, and content access.
8. Fix issues identified during the testing period: In 2 to 3 weeks, fix all issues arising from the testing phase to ensure the paywall system works well.
9. User Experience and Optimization: This should take at least 2 weeks and involves optimizing user interfaces for seamless navigation and subscription management while ensuring all devices work well and all payment models are integrated.
10. Migrate your content: In 2-3 weeks, migrate the content to the new paywall system.
11. Marketing the paywall before the launch: Develop a marketing campaign to promote the paywall launch while offering attractive promotions for subscribers.
12. Monitor user feedback and improve on any concerns raised: This involves the general performance of the paywall system.
13. Evaluation and Optimization: This is an ongoing process that involves analysis of subscription metrics, user engagement, and revenue generation.

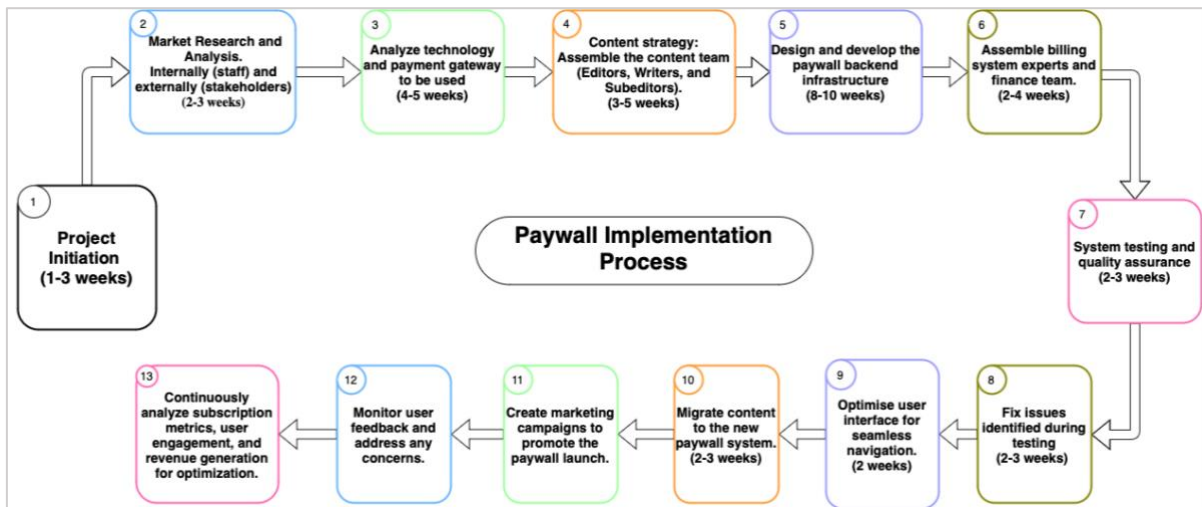


Figure 2: An illustration of the implementation process for successful paywalls which can help media houses generate additional revenue due to decline in advertisements.

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APPENDICES

Appendix A - Interview Guide for the Online Managing Editor.

- What influenced you to introduce the paywall?
- Who is your target audience?
- Did the paywall affect your website traffic?
- Has the introduction of the paywall influenced your editorial decision-making?
- What are your contingency plans if the paywall fails to work?
- What lessons have you learned from the paywall implementation?
- What are the challenges you are facing since the introduction of the paywall?

Appendix B - Interview Guide for the Editors.

- How do you determine what content should be monetized?
- Do you have a feedback mechanism on the paywall?
- How often do you check and act on feedback from the audience?

Appendix C - Interview Guide for Reporters.

- What was your first reaction when the paywall was introduced?
- Do you get extra pay for writing paywall content?
- What would you do differently if you were an Editor?

Appendix D - Interview Guide for Commercial Executives.

- Has the paywall introduction affected your revenue in any way?
- What are your contingency plans, if the paywall does not work?
- What lessons have you learned from the paywall?
- Do you see value in the introduction of the paywall?

Appendix E - Interview guide for the Newspaper Circulation Officials.

- How has the paywall affected newspaper circulation?
- Do you see value in the introduction of the paywall?
- Has the paywall introduction affected your revenue in any way?

Appendix F - Interview Guide for IT Managers Running the Paywall System.

- How has the process of implementing the paywall been so far?
- What are the main challenges you face in this venture?
- What are the most common challenges you have to deal with from the audience or internally?

Appendix G: AKU Ethics Review Committee Approval Letter



THE AGA KHAN UNIVERSITY
Graduate School of Media and Communications

REF: AKU-GSMC/ERC/2023/EMMLI 002

Date: November 13, 2023.

Dear Benard Momanyi (Student No. 580222)

**RE: IMPACT OF THE IMPLEMENTATION OF PAYWALLS IN KENYA:
CASE OF NATION MEDIA GROUP**

This is to inform you that Aga Khan University - Graduate School of Media and Communications Ethics Review Committee has reviewed and approved your above research proposal. Your approval period is November 13, 2023, to November 12, 2024, and your application's approval number is AKU-GSMC/ERC/2023/EMMLI 002.

This approval is subject to compliance with the following, under the supervision of your two supervisors:

1. Only the approved documents including the informed consent form and the data collection instruments will be used.
2. Any changes, made on the approved documents that may increase the risks or affect the welfare or safety of the participants or compromise the integrity of the study must be reported to GSMC within the shortest time possible. The amended documents will be taken through a fresh review and the due process of approval.
3. In the event that the research cannot be completed within the one-year approved period, the researcher will request for renewal of approval 30 days prior to the end of the approved period.
4. The researcher will be required to submit a comprehensive progress report when applying for renewal of approval.
5. Submission of an executive summary report to the GSMC's Ethics Review Committee within 90 days of completion of the study.
6. Produce all the data collected using the approved tools as and when required by the Ethics Review Committee within the 90 days of completion of your study.

Prior to commencing your study, you will be required to obtain a research permit and other relevant documents from the appropriate regulatory body in your country.

Please feel free to contact me should you require any further information.

Yours sincerely,

Prof. George Nyabuga
Associate Dean

University Centre, 4th Floor, 3rd Parklands Avenue
P.O. Box 30270 - 00100 G.P.O. Nairobi, Kenya
Tel: +254 20 3740062/63, +254 (0) 731 888 055; +254 (0) 719 231 530
Email Address: info.gsmc@aku.edu ; Website: www.aku.edu

