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# Analyzing the viability of subscription revenue model for the standard group in Kenya.

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*Aga Khan University*

**THE AGA KHAN UNIVERSITY**
**Graduate School of Media and Communications**

**ANALYZING THE VIABILITY OF SUBSCRIPTION REVENUE MODEL**

**FOR THE STANDARD GROUP IN KENYA**

By

Anthony Manyonge Makokha

569014

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
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A capstone proposal/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 Proposal/Capstone Project Evaluation Committee appointed

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28/12/2023

DECLARATION

**ANALYZING THE VIABILITY OF SUBSCRIPTION REVENUE MODEL FOR THE STANDARD GROUP IN KENYA**

I, **ANTHONY MANYONGE MAKOKHA-569014,** 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/capstone project, which is the product of my research endeavours.

_____
Signature

_____
28/12/2023

# DEDICATION

I dedicate this capstone project to my beloved daughters, Sifa Awiti and Amari Geno, whose unwavering support, patience, encouragement, and belief in me fuelled my determination throughout this challenging academic journey, serving as a token of my profound gratitude for their selflessness, love, and understanding that made this fulfilling yet arduous endeavour possible.

# ACKNOWLEDGEMENTS

ABSTRACT

The capstone project investigated the subscription-based revenue Model in the context of news content, using The Standard Group in Kenya as a case study. The aim was to evaluate the viability and impact of this Model in sustaining quality journalism amidst changing consumption patterns and unpredictable advertising revenues in the digital age. Employing a mixed-methods approach, the research integrated qualitative and quantitative methodologies. Through extensive literature review, industry analysis, interviews with experts, stakeholders, and consumer surveys, it explored the historical evolution, merits, challenges, and perceptions regarding paid news content in Kenya. The study focused on The Standard Group, a leading media conglomerate in Kenya, analyzing its strategies, such as paywalls, content offerings, and user engagement, to derive insights applicable to similar media organizations facing similar challenges. The outcomes of the study included a comprehensive understanding of how the subscription-based revenue model interacts with news content in the Kenyan media landscape. The research findings provide insights for media practitioners, policymakers, and stakeholders to develop sustainable business models while upholding journalistic standards. Additionally, it offers empirically-driven recommendations to enhance revenue diversification, audience engagement, and the viability of a subscription-based Model for news content in Kenya and potentially in other analogous markets globally. Ultimately, this project provides a nuanced perspective on the intersection of journalism, business sustainability, and audience dynamics. Its goal was to contribute to scholarly discourse and industry practices regarding the future of news content monetization in an ever-evolving media ecosystem.

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# ABBREVIATIONS AND ACRONYMS

**KM:**    Kenya Media

**TSG:**    The Standard Group

**SM:**    Subscription Model

**DIT:**    The diffusion of Innovation Theory

**EVM:**    Economic Viability Model

# OPERATIONAL DEFINITION OF TERMS

**Viability:** The ability of a subscription-based revenue model to sustainably support news content production while ensuring financial stability for media.

**Subscription:** A subscription is a formal contract that outlines how frequently you will receive information or services in exchange for money.

**Digital Transformation**:

Leveraging advanced technologies to revolutionise content creation, distribution, and audience engagement through digital mediums and innovative platforms.

**Audience Engagement**:

The level of interaction with a media platform or piece of content which is determined by metrics such as click-through rates on social media. It also includes likes, comments, shares, and other forms of social media involvement.

**Subscription-Based Business Model**:

Offering information or services to clients who agree to recurrent payments is a component of the subscription-based business Model. This can apply to media outlets that offer premium content, streaming services, and news websites that charge subscription fees.

**Newsroom Procedures:**

Journalists and editors use newsroom procedures to gather, check, and publish news content. To preserve credibility and audience confidence, content quality is crucial.

**Revenue Model**: Media companies employ revenue models as a way of making money. Advertising, subscriptions, pay-per-view, freemium, and affiliate marketing are typical revenue sources.

**News Content:** Articles, reports, videos, podcasts and other types of information created by news organizations are referred to as "news content." For news to reach and keep viewers, it must be accurate, of high quality, and timely.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter introduces the study and begins by providing a background of the subscription-based revenue model adopted by The Standard Group in Kenya, as well as an in-depth look at already existing knowledge on the subject. It also presents the problem statement, study objectives, questions underpinning the study, relevance of the study, and limitations of the study.

1.2 Background of the Study

In recent years, the global media landscape has undergone a profound transformation, primarily driven by the digital revolution and evolving consumer preferences. Notably, one of the most striking developments has been the emergence of the subscription revenue model for news content, challenging the conventional advertising-based model (Rußell et al., 2020). Media organizations worldwide are grappling with the urgent need to secure sustainable revenue streams amidst declining advertising revenues and the proliferation of free online content (Hsiang, 2018).

In Kenya, a prominent player in the media industry is The Standard Media Group (TSG), a conglomerate renowned for its rich journalistic history and widespread readership. According to Wamuyu (2020), The Standard Media Group, akin to numerous other global media entities, faces the necessity to adapt to the swiftly evolving media landscape The adoption of the subscription revenue model for news content presents a compelling opportunity for TSG to diversify its revenue streams and ensure the long-term sustainability of its journalism. This research undertakes a comprehensive

examination of the viability and impact of the subscription revenue model for news content within the Kenyan media landscape, focusing on The Standard Group as a case study.

The study meticulously investigates various aspects, including the drivers prompting the adoption of subscription-based models, their effects on audience engagement and reader experience, the financial viability when compared to traditional advertising-based models, and the challenges and barriers encountered during the transition to the subscription revenue model. The primary goal is to generate actionable recommendations and strategies essential for the successful implementation and sustained viability of the subscription model for news content within the Kenyan context. In this study, traditional advertising-based models, once the industry's mainstay, face mounting pressures from ad-blockers, shifting consumer preferences, and economic uncertainties (Danova, 2023). The research primarily focuses on evaluating the factors that led The Standard Group to pivot towards the subscription revenue model for its news content. By closely examining the motivations, drivers, and strategic considerations behind this transition, the study aims to unravel the forces shaping Kenya's media landscape.

Moreover, in the era of digital subscriptions and paywalls, understanding the impact of subscription-based models on audience engagement and overall reader experience assumes paramount significance (Chyi & Yang, 2019). In essence, this study aims to contribute significantly to the understanding of the subscription revenue model's implications within the Kenyan media landscape. By focusing on The Standard Group and meticulously examining various facets of the subscription model's adoption,

impact, and sustainability, the research endeavours to provide insights that extend beyond the borders of Kenya and are relevant to media organizations worldwide considering or undergoing transitions to subscription-based models.

1.3 Rationale of the Study

This study provides valuable insights for media organizations transitioning from traditional advertising to subscription models, offering practical recommendations for successful implementation. Through a case study approach within Kenya's media landscape, it highlights challenges and opportunities, aiming to contribute significantly to the field. The findings hold practical implications for emerging markets, illuminating the subscription model's potential advantages and challenges for sustainable journalism in the digital era. Focusing on The Standard Group, the research sheds light on execution methods and impacts, crucial in understanding the model's viability in unique markets like Kenya. With a focus on quality journalism and audience relationships, it explores the model's impact on engagement, trust, and loyalty, essential for robust media ecosystems. Addressing traditional media adaptation in the digital age, this study holds relevance for media professionals, entrepreneurs, and policymakers, extending its relevance beyond Kenya to media organizations globally undergoing or considering subscription model transitions.

1.4 Current Literature Review

1.4.1 Factors Driving Standard Group to Adopt a Subscription Revenue Model

Traditional business structures have changed as a result of the transition toward digital media consumption. Tewksbury and Rittenberg's (2012) study highlights the difficulties facing the advertising-centric approach in the digital age. The authors talk

about how subscription models have developed as a means of ensuring the financial viability of high-quality journalism. De Oliveira, D. & Albuquerque, U. (2021) while conducting a study on cultural evolution and digital media defined digital transformation of media as the process by which the media industry has evolved and adapted to the digital age. Kretschmer & Khashabi 2020 and Butt et al. 2021) assert that in an era marked by quick technical breakthroughs and shifting consumer habits, digital transformation involves a variety of changes and adjustments in how media material is produced, delivered, and consumed.

Newspapers and television are examples of traditional media outlets that have switched from largely print or broadcast to digital platforms (Londoo, 2021). This move entails producing digital material for an online audience, including news articles, films, podcasts, and interactive multimedia (Londoo, 2021; Fourie, P. 2019). To reach a larger and more varied audience, media firms have embraced online distribution platforms like websites, mobile applications, and social media. These online resources provide simple access to news and entertainment material. According to Zara (2019), who wrote an article titled "Job Growth in Digital Journalism is Bigger Than Anyone Knows" in the International Business Times journal, as traditional revenue sources such as print advertising and cable subscriptions have declined, media organizations have looked into new ways to monetize their websites.

The adoption of the subscription model, according to Fourie (2019), is one well-known tactic in his study on normative media theory in the digital media landscape from media ethics to ethical communication in South Africa in 2019. Reader behaviour has changed as a result of the increase in online news consumption. Higher-quality, ad-free content

is becoming more and more acceptable to consumers, supporting the subscription model. According to Thompson 2018; Londoo 2021 & Fourie 2019, the subscription model in the media involves charging customers a price for access to premium or exclusive information. According to Van der Burg (2018) et al., members often pay regularly, whether monthly or annually to access this content. Media companies are increasingly using the subscription model to commercialize digital content and maintain their financial viability (Mäkinen & Wangu, 2018).

According to Chen et al. (2020), subscribers frequently get access to premium or exclusive content that is not available to non-subscribers. In-depth investigative reporting, analysis, ad-free experiences, or access to archives are some examples of this content. According to Ekström et al. (2020), the goal of the subscription model is to increase subscribers' involvement with the brand and content. This can be accomplished by providing subscribers with tailored content recommendations, interactive tools, and community-building initiatives. Compared to the advertising-based model, which can be affected by market volatility, the subscription-based model offers a more consistent and predictable source of income. Ciampaglia et al. (2020) investigated "Challenges of Digital Misinformation: Toward a Trustworthy Web," and say that stability enables media businesses to continue newsroom operations and make investments in high-quality journalism. Media firms are encouraged to invest in exclusive material of superior quality through a subscription model (Waisbord, 2019; Kawamoto, 2022 & Vial, 2019).

This distinction is essential in a very competitive media landscape. Stability and predictability are offered by subscription revenues, as opposed to the volatility linked

to advertising. When looking for a long-term business model, media companies find this stability appealing (Newman et al., 2019; Picard, 2019). The reader experience is improved by personalized and targeted content delivery made possible by subscriptions, which provide insightful data on reader preferences.

1.4.2 Impact of the Subscription-Based Model on Audience Engagement at Standard Group

The impact of the subscription model on audience engagement and reader experience has been widely studied. The subscription model can increase audience engagement by creating a loyal subscriber base (Albarran et al. 2018 & Napoli et al. 2021). Subscribers are more likely to visit the platform regularly and engage with the content. The subscription model influences reader engagement and commitment. Anderson and Fidler (2018) emphasize the importance of personalized content and user experience in retaining subscribers. Deloitte's media report (2020) points out that consumers are increasingly willing to pay for content that aligns with their interests and needs.

A Subscription Model refers to a business model in which customers pay a recurring fee at regular intervals such as daily, weekly, monthly or annually to access a product or service (Anderson and Fidler, 2018 & Napoli et al., 2016). In the context of media and content, the subscription model involves users paying to access premium or exclusive content (Wirtz & Zimbres, 2018). This model has become increasingly popular in various industries, including news media, streaming services, software, and more.

The subscription model aims to provide a stable and predictable revenue stream while offering customers ongoing value (Rustici & Van Den Bulck, 2020). Audience engagement through the subscription model has the potential to foster deeper audience engagement. Subscribers often have a higher level of commitment to the content and the brand, leading to increased interaction through comments, shares, and participation in discussions (Napoli et al., 2016). This engagement can contribute to a sense of community around the news outlet. Research suggests that a subscription-based model can incentivize media organizations to produce high-quality, investigative journalism and long-form content, as they aim to provide unique value to paying subscribers (Picard, 2018). This enhances the overall journalistic standards within the industry. Reader experience via subscription Model can offer an ad-free, uninterrupted reading experience, improving the overall satisfaction of readers (Rustici & Van Den Bulck, 2020). Additionally, subscribers may receive personalized content recommendations, further enhancing their experience.

Subscribers value editorial independence and quality journalism (Moelli & Albarran, 2017; Ugille 2017 & Albarran et al. 2018). News organizations that prioritize subscriptions feel less beholden to advertisers or political pressures, allowing them to maintain their editorial integrity. A Subscription Model often provides valuable subscriber data and insights that inform content decisions. Scholars have opined that newsrooms use data analytics to better understand subscriber preferences and tailor content to their interests (Moelli & Albarran, 2017; Ugille 2017 & Albarran et al. 2018). Subscribers are more invested in the content, which leads to more meaningful discussions, feedback, and interactions with the newsroom.

Moelli & Albarran (2017) while examining media management and performance in a taxonomy for initiating a research agenda argue that news organizations may adopt a culture of continuous improvement, aiming to deliver content that keeps subscribers engaged and satisfied. Regular feedback from subscribers drives this improvement process (Moelli & Albarran, 2017). While a subscription model may offer exclusive content to subscribers, news organizations still prioritize providing a certain level of free access or open content to maintain their visibility and reach a broader audience (Rustici & Van Den Bulck, 2020). The impact on newsroom operations and content quality depends on how effectively a news organization manages its subscription model. Subscription Model incentivize high-quality journalism and more strategic resource allocation, they also require ongoing efforts to retain and engage subscribers (Ugille 2017). Balancing the needs of both subscribers and non-subscribers while maintaining editorial standards is a key challenge for news organizations embracing the subscription Model in the digital age. Studies by Moelli & Albarran, (2017) and Ugille (2017) postulate that the subscription model highlights the reader experience. Ad-free content, custom-made endorsements, and improved user interfaces enhance a more substantial experience for subscribers.

1.4.3 Challenges and Barriers that The Standard Faced During the Transition to a Subscription-Based Revenue Model Since 2021

Research by Awiti et al., (2020) on Kenyan Media Trends and Predictions highlights challenges faced by media organizations in emerging markets like Kenya, including affordability and the prevalence of free content alternatives. Banda and Mutula (2017)

discuss the digital divide and its impact on the adoption of digital news subscriptions in Africa.

Challenges of the subscription model in emerging markets are specific obstacles and difficulties that media organizations face when implementing and sustaining the subscription-based revenue model in regions with developing economies or unique market conditions (Picard, 2018; Napoli et al., 2016). These challenges can vary from those encountered in more mature markets and often require tailored strategies and approaches. Geissdoerfer et al. (2017) analysis of "The Cambridge Business Model Innovation Process" indicates that emerging markets may have limited access to high-speed internet and digital devices, making it challenging for potential subscribers to access digital content. Studies have pointed to the fact that addressing this challenge involves optimizing content for low-bandwidth connections or partnering with telecom operators to bundle subscriptions with data plans (Nielsen, 2019; Banda & Mutula, 2017). Many individuals in emerging markets have lower disposable incomes, which can make it difficult to convince them to allocate a portion of their budget to news subscriptions.

Media organizations need to offer lower pricing tiers or flexible payment options to make subscriptions more affordable. Attracting and converting free readers into paying subscribers can be challenging. Media organizations often struggle with finding the right balance between free and premium content to entice potential subscribers while not alienating non-paying users (Picard, 2018). Banda & Mutula, (2017) highlight the importance of maintaining subscriber loyalty as crucial for long-term success. Studies conducted by Nielsen 2019 and Napoli et al., (2016) indicate that high churn rates can

erode the financial benefits of the subscription Model. Strategies for reducing churn include continuously delivering value, personalized experiences, and effective customer support. There are difficulties in making the switch to a subscription-based income Model.

Persuading readers who are used to free access to pay for material is a frequent problem (Herbert, 2020). To overcome this opposition, one must show how valuable the subscription advantage is. In the subscription market, media companies frequently face competition from both long-standing rivals and recent arrivals (Kawamoto, 2022). It's critical to comprehend rival tactics and unique offerings.

Implementing subscription systems and paywalls can be technically complex and costly. Media companies must invest in infrastructure and ensure a seamless user experience implementing a subscription model can be challenging, particularly in emerging markets with limited digital infrastructure and lower disposable incomes (Örnebring, 2019; Ekström et al. 2020 & Chen et al. 2020). Overcoming these challenges often involves adapting pricing strategies, exploring alternative payment methods, and addressing competition. Understanding factors that influence subscriber behaviour, such as content relevance, trust in the news source, and user experience, is crucial for the success of the subscription Model.

Research indicates that media organizations tailor their strategies to attract and retain subscribers based on these factors (Waisbord, 2019; Kawamoto, 2022 & Vial, 2019). Herbert (2020) in the article on Journalism in the Digital Age argues that digital transformation of media involves the adaptation of the media industry to digital

technologies and platforms. The Subscription Model represents one key strategy within this transformation, offering a way for media organizations to monetize their digital content, engage their audience, and ensure financial viability in an evolving media landscape (Kawamoto, 2022). Declining advertising revenues in media organizations worldwide have witnessed a decline in advertising revenues due to factors such as ad-blockers, ad fraud, and the migration of advertising dollars to digital platforms like Google and Facebook (Mirzagayeva & Aslanov, 2022 & Vial, 2019).

This decline has compelled media companies to explore alternative revenue streams, including the subscription Model (Newman et al., 2019). Changing Consumer preferences from research indicates that consumers are increasingly willing to pay for quality content, especially when they perceive value in the form of in-depth journalism, expert analysis, and exclusive access (Reuters Institute, 2021). Media organizations like The New York Times and The Washington Post have successfully capitalized on this trend. Reorganizing the organization's culture may be necessary to implement the subscription Model (Reuters Institute, 2021).

It is also crucial to get employee buy-in, provide training, and manage change. Issues with copyright and privacy regulations are examples of legal and regulatory obstacles that can exist for the Subscription Model.

1.4.4 Recommendations and Strategies for the Successful Implementation and Sustainability of the Subscription Model

Planning is essential for the successful implementation of the subscription model. Media organizations foster a sense of community among their audiences (Herzog & Scerbinina, 2020 & Gálik, 2020). This can be achieved through online forums, social media groups, or dedicated spaces for discussion and interaction among like-minded individuals. Offering personalized content recommendations based on user preferences and behaviour can enhance audience engagement. Schmitz & Fulk (2021) while conducting communications research established that a sense of community tailors the content experience to the individual's interests. Gálik (2020) while investigating the status of Media Freedom and Pluralism in Budapest argued that subscribers or premium members often receive access to exclusive or premium content, which can deepen their engagement with the media outlet. Hosting events, webinars, or live-streamed discussions can facilitate direct interaction between journalists, experts, and the audience (Mikko & Picard, 2020).

A study conducted by Chan-Olmsted & Rang (2020) on the 10 shifts in consumer engagement and media business model media postulates that organizations can gather feedback from their audience to improve content quality and relevance. This feedback loop helps in refining content strategies. Audience engagement is essential for media organizations as it can lead to increased readership, higher user loyalty, and a stronger brand presence (Paolo & Eli, 2020). Existing studies indicate that audience engagement fosters a sense of connection between the media outlet and its audience, which is particularly important in an era of digital media where competition for attention is fierce. Gass, 2020; Sally, 2019; McQuail et al. 2023 & Stuart, 2019. Parsons (2021) further supports the point in the article "The Lost Doctrine: Suggestion Theory in Early Media Effects Research," that effective audience engagement strategies can help media

organizations build a community of dedicated readers or viewers who actively participate in the content ecosystem.

For content to be appealing to the local audience, it should consider the language, culture, and regional preferences of Kenya. Identifying the ideal pricing plan that strikes a balance between affordability and revenue targets, experimenting with introductory deals, discounts, and tiered pricing. Scholars contend that factors that contribute to financial viability in media include diversified revenue streams that include advertising, subscriptions, and events, effective cost management, prudent financial planning, and the ability to adapt to technological and market changes (Yeboah-Banin, 2020; Nielsen et al. 2019; Wright, 2019). Revenue generation refers to the process of earning income or revenue for a business or organization (Picard, 2018).

Revenue is the money generated from selling products or services to customers, clients, or users (Picard, 2018). For media organizations, revenue generation involves earning income through various channels and sources. According to Irons (2019), the fundamental principles of finance postulate that media outlets sell advertising space or airtime to businesses and advertisers. Advertisers pay for exposure to the media outlet's audience (Nielsen et al., 2019). Media organizations may charge users a fee to access premium or exclusive content. Subscriptions can be a significant source of recurring revenue. Media outlets partner with sponsors or brands to produce specific content or events (Rupp & Smith, 2022). Scholars argue that sponsors provide financial support in exchange for exposure and branding opportunities (Rupp & Smith, 2022 & Wright, 2019). Media organizations can license their content to other outlets, including news aggregators, other media companies, or content syndication services; and create

effective marketing and promotion plans that make use of digital platforms and data-driven insights to draw in and hold on to subscribers.

Hosting events, conferences, or webinars can generate revenue through ticket sales, sponsorships, and registration fees (Boczkowski & Ferris, 2005; Picard, 2019 & Newman et al., 2019). Some media outlets rely on donations or memberships from their audience to fund their operations. This is often seen in non-profit or public media organizations. Some media organizations sell merchandise, books, or products related to their content, creating an additional revenue stream. Scholars opine that Media outlets may earn a commission by promoting and selling products or services from third-party companies through affiliate marketing programs (Picard, 2019 & Newman et al., 2019). Effective revenue-generation strategies are essential for media organizations to maintain financial viability and support the production of high-quality journalism (Newman et al., 2019).

Rustici & Den Bulck (2020) urge digital entities to make the user experience their top priority by conducting frequent User Experience(UX) testing and optimization to guarantee a smooth and fulfilling reading experience. Entities are also advised to retain open lines of communication with readers regarding the importance of subscriptions and how they help sustain high-calibre reporting. Positive reviews, recommendations from peers, and social proof can influence subscriber behaviour (Boczkowski & Mitchelstein, 2013; Rustici & Van Den Bulck, 2020). Publicizing the growth of the subscriber community encourages others to join. Exclusive content or limited-time access to certain articles or features creates a sense of exclusivity and urgency, encouraging subscriptions.

1.4.5 Theoretical Framework

1.4.5.1 Diffusion of Innovation Theory

This Theory, proposed by Rogers and Kinnunen explores how new ideas, technologies, or innovations spread and are adopted within a society or among a target audience. It identifies various adopter categories - innovators, early adopters, early majority, late majority, and laggards - and highlights factors influencing the adoption process, such as perceived benefits, ease of adoption, and social influence. In the context of studying the viability of subscription revenue models for news content, the Diffusion of Innovation Theory is relevant in understanding how consumers or audiences adopt and embrace these models. It helps to identify the characteristics of different groups of adopters within the target audience, assess their willingness to pay for news content subscriptions and understand the factors influencing their adoption decisions.

Applying this theory, helps us to understand the stages of adoption, tailor strategies to attract different adopter categories, and optimize the implementation of subscription models to increase their acceptance and success among news consumers. This information is essential for targeted marketing and implementation strategies. The diffusion of innovation theory emphasizes the attributes of innovations that influence their adoption (Mascia & Mills, 2018). The Standard Group can evaluate how specific attributes of the subscription revenue model, such as their perceived relative advantage over traditional advertising models, compatibility with the organization's goals, and observability of benefits, affect the decision-making process. In this study, the researcher explored how the adoption of the subscription model was communicated to the audience and stakeholders, which channels are most effective, and how the message influences adoption decisions.

1.4.5.2 Media Effects Theories

In this research study on the viability of subscription models in news content, particularly focusing on The Standard Group in Kenya, the researcher finds Media Effects Theories to be crucial in understanding how media content influences audience behaviour, perceptions, and attitudes. These theories offer valuable insights into various facets of media impact, such as agenda-setting, framing, cultivation, social learning, and uses and gratifications. They are important in exploring how different types of news content influence audience behaviour, shaping their willingness to subscribe to news services.

Additionally, these theories help in examining how the perceived value of news content, including its credibility, relevance, and quality, impacts audience decisions regarding subscriptions. This researcher particularly used Media Effects Theories in his theoretical framework to help delve into audience motivations for subscribing to news content, catering to their needs, preferences, and gratifications. Furthermore, these theories enable the exploration of whether prolonged exposure to specific news content or formats influences subscribers' perceptions and behaviours differently compared to non-subscribers, providing critical insights for optimizing subscription models and content offerings to enhance The Standard Group's revenue model.

The theory investigates if the content's commercial nature affects the messages' impact, credibility, or quality. It also aids in comprehending how the subscription model influences audience behaviour, including the choice to subscribe, the frequency of interaction, and the readiness to pay for the media content (Sherry, 2018). Theories of

media effects are applied to explain the reasons underlying these actions. This study highlights the problems with access and inequality associated with the subscription Model via the lens of media effects theory.

1.4.6 Conceptual Framework

Independent Variable:

- Transition to Subscription Revenue Model: This variable represents the shift from the traditional advertising-based revenue model to the subscription-based revenue model. It includes factors such as the implementation of paywalls, digital subscription offerings, and premium content strategies.

Dependent Variables:

1. Financial Viability: This variable measures the economic sustainability and profitability of the subscription revenue model compared to the traditional advertising-based model. It encompasses metrics like revenue growth, profitability margins, and overall financial performance of the news organization.

2. Audience Engagement and Reader Experience: This variable assesses the impact of the subscription model on audience interaction, reader satisfaction, and overall engagement levels. It includes factors like reader interactions, feedback mechanisms, content preferences, and loyalty metrics.

3. Quality of Journalism: This variable examines the effect of the subscription revenue model on the quality and diversity of news content produced. It includes assessments of editorial decision-making, content production processes, journalistic standards, and the diversity of content offered.
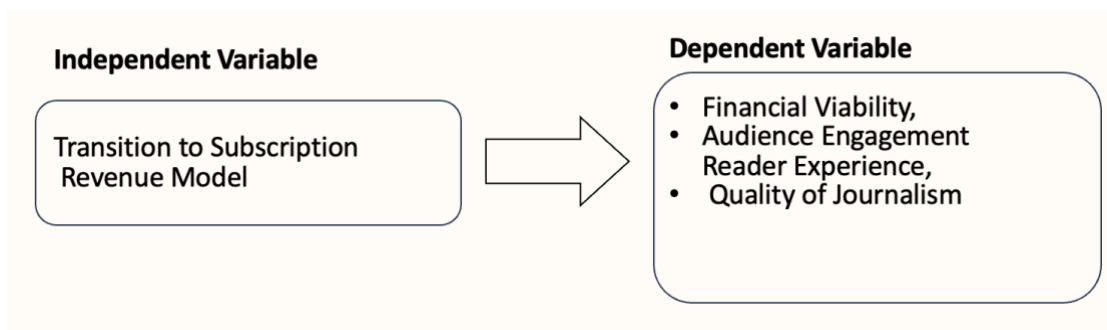
Figure 1: Adoption of subscription revenue models

Adoption of subscription revenue models will lead to viability of news content, impact on audience engagement, impact on content quality, challenges and barriers. This will be achieved through the adoption of a revenue model, diversified revenue sources, and digital transformation.

1.5 Problem Statement

The global media landscape is currently undergoing a significant transformation driven by digitalization and evolving consumer behaviours (Collins, 2021). Amid this shift, traditional revenue models, particularly those reliant on advertising, are encountering challenges in upholding quality journalism. As news organizations seek alternatives, subscription-based revenue models have emerged as a viable option. However, their feasibility and impact in emerging markets, such as Kenya, remain largely unexplored (Makori, 2019).

This study aims to address critical issues within the media industry. It recognizes that news organizations, like the Standard Group in Kenya, are grappling with the transition from traditional advertising-based revenue models to subscription models. This transition presents substantial challenges related to revenue diversification, audience engagement, and maintaining content quality. Kenya's media landscape is distinctive,

marked by varying internet penetration, socio-economic disparities, and diverse media consumption habits (Maina, 2018).

Understanding the functioning and success of subscription models in such an emerging market is pivotal. With news organizations introducing subscription models, questions arise concerning their potential impact on newsroom operations, content quality, and audience engagement. Upholding high-quality journalism and retaining audience trust stands as a primary concern (Ndlela, 2019). Furthermore, the economic viability of subscription revenue models, particularly in an emerging market like Kenya with its specific economic conditions, necessitates thorough examination (Milian, 2019).

The media sector in Kenya is highly competitive, with numerous news outlets vying for audience attention. Ghosh, P. (2018) asserts the importance of understanding how subscription models impact competition and market positioning. Additionally, this study considers the influence of policy and regulatory factors on the adoption and implementation of subscription revenue models in Kenya, analyzing their implications for media pluralism and diversity. In the era of global digital transformation, this study aims to tackle the overarching problem of how traditional media can adapt and thrive in the digital age, with the Subscription Model proposed as a potential solution.

By addressing these identified problem areas, the research endeavours to provide a comprehensive analysis of the challenges and opportunities linked to subscription revenue models for news content within the context of The Standard Group in Kenya. The findings will contribute to a deeper understanding of the evolving media landscape, offering insights for devising strategies to ensure media sustainability and maintain quality journalism in emerging markets and beyond.

1.6 Objectives

1.6.1 Main Objective

To comprehensively assess the viability and impact of subscription-based revenue models for news content within the operations of The Standard Group in Kenya.

1.6.2 Specific Objectives

1. Evaluate the factors driving The Standard Group to adopt subscription revenue models for news content

2. Analyze the effects of subscription-based models on audience engagement and reader experience

3. Identify the challenges and barriers that The Standard faced during the transition to subscription-based revenue models since 2021.

4. Provide recommendations and strategies for the successful implementation and sustainability of subscription models for news content for the Standard and others.

1.6.3 Research Questions

1. What are the factors driving media organizations at The Standard Group to adopt subscription revenue models for news content?

2. What is the impact of subscription-based models on audience engagement, types of content, and overall reader experience at the Standard Group?

3. What are the challenges and barriers that the Standard Group, faced during the transition to subscription-based revenue models 2021?

4. What are the recommendations and strategies that the Standard Group should apply for the successful implementation and sustainability of subscription models for news content?

1.7 Methodology

1.7.1 Research Design

This study utilized a mixed-methods approach, integrating both qualitative and quantitative research techniques. Data collection was conducted through surveys and interviews as part of this research design. Notably, interviews were held with key stakeholders within The Standard Media Group, comprising Editorial managers, Digital editorial staff, and technical team members involved in the Subscription model. Additionally, surveys were administered to subscribers or customers to gather feedback and suggestions. In complement to primary data collection, secondary data was sourced from scholarly publications, business, financial reports, and case studies detailing analogous transitions observed in other markets.

1.7.2 Site of the Study

The research was carried out at The Standard Media Group, specifically chosen as the primary research site due to its comprehensive structure and position as a prime source for gathering insights on the Viability and Impact of Subscription Revenue Models for News Content.

1.7.3 Sample and Sampling Techniques

The research adopted a purposive and simple random sampling approach for interviews and surveys with staff, managers and subscribers.

This methodological choice was deemed appropriate as it encompassed at least 30% of the current population, ensuring a comprehensive representation within the study.

1.7.4 Instruments Validity and Reliability

1.7.4.1 Validity

In this research on the viability of the Subscription revenue model in news content, focusing on The Standard Group in Kenya, the researcher ensured the validity of the research instruments by carefully selecting or designing surveys, interviews, and analytical tools that accurately measured the key aspects of subscription revenue models.

These instruments were validated through content validation by experts and pilot testing to ensure they effectively captured the intended variables. Additionally, reliability was maintained by using standardized measures and conducting analyses to ensure consistency in measuring variables throughout the study. These efforts aimed to gather accurate and consistent data regarding perceptions, preferences, behaviours, and attitudes related to subscription revenue models in The Standard Group's context in Kenya while minimizing biases and errors.

1.7.4.2 Reliability

This study focused on ensuring the reliability of the tools utilized to measure various variables. Reliability in research refers to the consistency of these tools in producing similar results when used repeatedly. As highlighted by Roberts et al. (2016), a reliable tool should yield consistent statistics or outcomes across multiple operations. To verify the dependability of the questionnaires the researcher employed, he conducted a thorough examination of their sources. Utilizing the test-retest method, the researcher selected specific sample respondents known for their relevance to the study and involved them in assessing the instrument's consistency over time.

### 1.7.5 Data Collection Procedures

Surveys were distributed among The Standard Media Group's editorial team, subscribers, and management, encompassing various stakeholders. These surveys incorporated a blend of closed-ended and open-ended questions, designed to gather both quantitative data for analysis and qualitative insights. Additionally, in-depth interviews were conducted with key informants from The Standard Media Group.

The organization provided financial reports, subscription statistics, and reader engagement metrics, meticulously scrutinized to acquire quantitative data. Supplementary data was sourced from diverse outlets including scholarly articles, business reports, and case studies detailing transitions of news organizations to subscription-based revenue models in comparable regions.

### 1.7.6 Data Analysis Procedures

The Statistical Package for the Social Sciences (SPSS), version 21.0, was employed to conduct statistical analysis on the quantitative data obtained from surveys and financial reports. Descriptive statistics, correlation analysis, and regression analysis were utilized to identify patterns, trends, and relationships within the data.

### 1.7.7 Ethical Considerations

All participants voluntarily engaged in this research. Before their participation comprehensive explanations were provided, ensuring each participant gave informed and voluntary consent to partake in the study. All shared information was treated with utmost confidentiality and strictly used solely for the study's purposes. To enhance anonymity, personal details like names, titles, and other identifiable information were omitted.

1.8 Scope and Limitation of the Study

1.8.1 Scope

The study specifically centred on The Standard Group, a prominent and long-standing media organization in Kenya. It scrutinized the organization's adoption and execution of subscription revenue models, encompassing various strategies like digital subscriptions, paywalls, and premium content offerings.

An examination was conducted on how this Subscription Model influences the calibre and diversity of news content produced. This encompassed an assessment of editorial decision-making, content production processes, and consideration of audience preferences.

Additionally, the research delved into its impact on audience engagement, encompassing reader interactions, feedback mechanisms, and fostering audience loyalty. Notably, the study placed a significant emphasis on the financial aspects associated with the adoption of subscription models, investigating parameters such as revenue growth, profitability, and overall sustainability.

1.8.2 Limitation

The findings derived from this case study may not be universally applicable to all media organizations in Kenya or similar emerging markets. Given that The Standard Group represents a single case, variations among different media outlets could exist. It is important to note that the study's findings were drawn from data available up to the

conclusion of the research period, potentially omitting emerging trends or developments in the media industry thereafter.

Additionally, constraints in resources, such as time, funding, and access to proprietary data, might have limited the study's depth and breadth of analysis. Qualitative data, including interviews and surveys, are susceptible to the perspectives and biases of the participants involved.

External factors, such as shifts in economic conditions, technological advancements, or government policies, could impact the study's findings but were beyond its control. Moreover, certain proprietary information related to The Standard Group's business operations might be restricted by confidentiality agreements, possibly limiting the extent to which specific data can be shared.

1.9 Structure of the Document

In Chapter One, the study's focus is introduced, accompanied by an extensive review of current literature. This chapter addresses the problem statement, articulating the study's objectives, and outlines the methods, data collection tools, as well as the study's scope and limitations. Moving to Chapter Two, findings are presented, analyzed, and thoroughly discussed, providing a nuanced exploration of the discovered insights. The conclusive Chapter Three encapsulates the study's outcomes, documenting conclusions and formulating recommendations based on the research findings.

## 1.10 Summary

Chapter One provides a background and rationale for studying the viability and impact of subscription revenue models, specifically within The Standard Group in Kenya. It reviews literature on factors driving the adoption of subscription models, the impact on audience engagement, challenges faced during the transition, and theoretical frameworks utilized. The chapter highlights the global media landscape's transformation and outlines objectives to comprehensively assess the viability of subscription models in The Standard Group's operations. The study employed mixed methods, including surveys and interviews, conducted at The Standard Group using purposive and simple random sampling.

The statistical analysis of quantitative data was done using SPSS. Participants engaged in the study voluntarily. The chapter acknowledges limitations, such as potential oversight of emerging trends and resource constraints. Chapter Two focuses on research findings, discussions, conclusions, and recommendations.

CHAPTER TWO

FINDINGS AND DISCUSSIONS

2.1 Introduction

This chapter presents the study's findings based on field data, covering response rates, respondents' demographics, descriptive statistics, and inferential statistics. Additionally, qualitative data from key informant interviews was thematically analyzed. The study's findings align with its objectives.

Response Rate
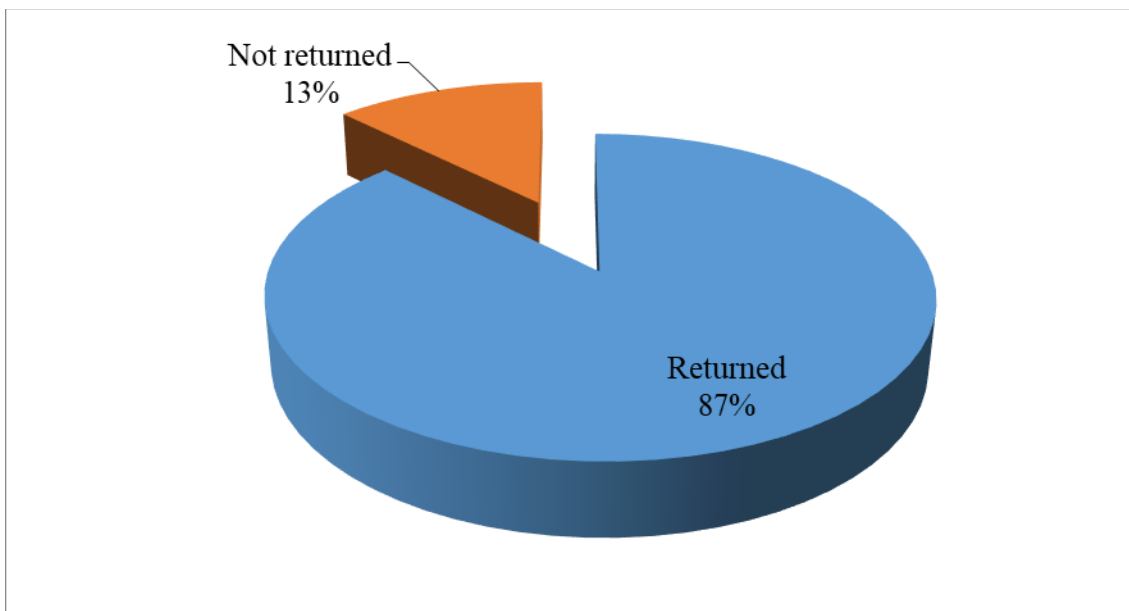


Figure 2: The response rate from questionnaires

120 people were chosen as the sample size for this investigation. 105 of the 120 sent questionnaires were returned and were deemed adequate for the analysis. This reaches the required sample size by 87.5%. The responses gathered were a suitable place to start when drawing conclusions because, in accordance with Kothari (2004), an analysis is sufficient when there is a success rate of 50% or above. In this instance, though, the study noted a 95% response rate.

To evaluate the validity of the study tool, I carried out a pilot study. It was noticed that the instrument was reliable in collecting the desired outcomes, according to the reliability results acquired by Cronbach's alpha. The following Table 1 displays this.

Table 4: Reliability Analysis of the Research Questionnaire

| | Items | No. of items | Cronbach Alpha |
|---|---|---|---|
| 1 | Factors Driving adoption of Subscription model | | 0.800 |
| 2 | Effect of Subscription-based models on audience engagement | | 0.915 |
| 3 | Challenges and barriers | | 0.723 |
| 4 | Recommendations and strategies | | 0.811 |
| | The questionnaire | | 0.813 |

N=4

The findings in Table 1 above show that the questionnaire was consistent and reliable in collecting data to analyze the analyzing the viability and impact of subscription revenue models for news content at the Standard Media Group in Kenya. The table provided displays the results of a reliability analysis using Cronbach's alpha for a research questionnaire. Cronbach's alpha is a measure of internal consistency or reliability of a set of items in a questionnaire or scale. Factors Driving the Adoption of the Subscription Model has a Cronbach's alpha value of 0.800. Generally, a value above 0.7 is considered acceptable for research purposes, indicating a good level of internal consistency among the items related to this factor.

The effect of subscription-based Models on Audience Engagement has a very high Cronbach's alpha value of 0.915, indicating a high level of internal consistency among the items. This suggests that the questions/items in this section are strongly correlated and measure the same underlying construct reliably. Challenges and Barriers shows a

Cronbach's alpha value of 0.723, which is acceptable as it's within the conventional threshold of 0.7. It suggests moderate internal consistency among the items related to challenges and barriers but could potentially benefit from revisiting or refining certain questions to improve reliability.

Recommendations and Strategies has a Cronbach's alpha of 0.811, which is above the acceptable threshold, indicating good internal consistency among the items related to recommendations and strategies. The overall questionnaire (which combines all the items across different sections) has a Cronbach's alpha value of 0.813, suggesting a good level of internal consistency across all the items in the questionnaire.

Respondents' Profile & Demographics

Background information and demographic factors play an important role in shaping individuals' skills in analyzing the viability and impact of subscription revenue models for news content. The perception of Standard Media Group staff can be influenced by a range of demographic variables such as age, gender, education, and socio-economic status. For instance, older individuals may have a less positive perception of the effectiveness.

Table 5: Age of the Respondents

| Age | n | % |
|---|---|---|
| Below 21 years | 15 | 14.3 |
| 21-30 years | 24 | 22.9 |
| 31-40 Years | 36 | 34.5 |
| 41-50 Years | 25 | 23.8 |

| | | |
|---|---|---|
| Over 50 years | 5 | 4.8 |

Table 6: Sex of the Respondents

| **Sex** | n | % |
|---|---|---|
| Female | 59 | 57.8 |
| Male | 53 | 42.2 |
| Total | 105 | 100.0 |

The study found that the majority of participants were Female; this proportion accounted for 57.8% of the participants while males accounted for 42.2%.

Table 7: Level of Formal Education of the Respondent

| **Level of Formal Education** | n | % |
|---|---|---|
| Certificate | 14 | 10 |
| Diploma | 27 | 30 |
| Degree | 45 | 40 |
| Masters | 9 | 5 |
| Others | 12 | 15 |
| Total                          105 | | 100 |

The majority of participants (40%) held a degree as their highest level of education, followed by a diploma (30%), certificate (10%), and master's degree (5%). 15% of people have an unspecified other type of educational background.

It's important to keep in mind that this distribution is peculiar to the community or sample under consideration and may not, in the context of this study, correctly reflect the distribution of educational backgrounds generally.

2.2 Findings

2.2.1 Evaluating Factors Driving the Adoption of Subscription Model.

The study investigated various factors influencing the adoption of subscription models

at The Standard Group (TSG), aligning with the first objective.

Table 5: Factors Driving the Adoption of Subscription Model

| | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Items | n | % | n | % | n | % | n | % | n | % |
| 1. Revenue Trends in historical data on TSG's revenue sources, including advertising revenue, subscription revenue, and other sources. | 57 | 35.2 | 22 | 11.4 | 24 | 13.3 | 47 | 35.3 | 5 | 4.8 |
| 2. Market trends in industry data on trends in media consumption, advertising, and subscription models in Kenya and globally. | 29 | 18.1 | 19 | 8.6 | 23 | 12.4 | 54 | 41.9 | 20 | 19.0 |
| 3. Reader Behaviour in data on how readers consume news content | 44 | 32.4 | 16 | 5.7 | 15 | 4.8 | 24 | 22.9 | 36 | 34.3 |
| 4. Information on how other media organizations in Kenya are approaching subscription models. | 36 | 24.8 | 15 | 4.8 | 23 | 12.4 | 56 | 43.8 | 15 | 14.2 |
| 5. Insights from interviews with TSG staff and management about their motivations and goals in adopting subscription models | 41 | 29.5 | 25 | 14.3 | 23 | 12.4 | 36 | 34.3 | 10 | 9.5 |
| | | | | | | | | | | |

Respondents' perceptions revealed varied views on these influencing factors:

Revenue Trends: Mixed perceptions regarding the impact of historical revenue data and

industry trends on subscription model adoption.

Reader Behaviour Data: Differing opinions on the significance of understanding reader

behaviour in driving subscription model decisions.

External Influences: Insights from other media organizations and internal stakeholder

interviews showed diverse views on their impact.

These findings resonate with prior studies emphasizing the importance of financial viability and understanding subscriber behaviour for successful subscription model implementation. Literature by Boczkowski & Ferris (2005), Picard (2019), Newman et al. (2019), Nyre (2019), and King et al. (2020) supports the significance of factors like revenue stability, diverse income sources, subscriber behaviour analysis, content relevance, trust, and news consumption habits in driving subscription decisions. Understanding and addressing these factors are crucial for attracting and retaining subscribers.

Table 6: Standard Deviation, Correlations and Reliabilities

| Variables | Mean | S.D | SM | IP | GI | Perf. |
|---|---|---|---|---|---|---|
| Factors driving | 3.78 | 1.023 | .892 | | | |
| Subscription-based models | 2.89 | 1.003 | .956 | .831 | | |
| Challenges and barriers | 3.01 | .998 | .908 | .912 | .975 | |
| Recommendations and strategies | 3.12 | .983 | .895 | .921 | | |

**Standard deviations, correlations, and reliabilities (N=105)**

| Model | R2 | B | t | Sig. |
|---|---|---|---|---|
| Subscription Model | .876 | .967 | 54.437 | 0.001 |

Factors Driving Adoption: Standard Deviation helped measure the degree of consensus among respondents regarding the driving elements, indicating a mean score of 3.78, which suggested a high level of agreement. Correlation analysis (0.892) showcased a strong positive relationship between these driving factors and the subscription model, substantiating a solid rationale for adoption.

2.2.2 Measuring the Impact of the Subscription-Based Model on User Engagement

Table 7: Impact of Subscription-Based Models

| Items | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| | n | % | n | % | n | % | n | % | n | % |
| 1. Key performance indicators including number of subscribers, pageviews, and time spent on the website, and bounce rates. | 37 | 35.2 | 12 | 11.4 | 14 | 11.3 | 47 | 35.2 | 15 | 10.8 |
| 2. Surveys or feedback mechanisms to assess the relevance, accuracy, and depth of TSG 's content. | 19 | 13.1 | 9 | 8.6 | 13 | 10.4 | 54 | 51.9 | 30 | 16.0 |
| 3. Reader Behaviour in data on how readers consume news content | 34 | 27.4 | 6 | 5.7 | 5 | 4.8 | 24 | 27.9 | 36 | 34.3 |
| 4. User experience (UX) testing data, including user satisfaction scores and feedback on website design and functionality. | 26 | 24.8 | 5 | 4.8 | 13 | 12.4 | 56 | 53.8 | 25 | 24.3 |
| 5. Data on which types of content subscribers engage with the most | 31 | 9.5 | 15 | 14.3 | 13 | 12.4 | 46 | 44.3 | 20 | 19.5 |

The analysis of respondent perceptions concerning the impact of subscription-based models at The Standard Group (TSG) presents varying viewpoints aligned to analyze the effects on audience engagement and reader experience. These diverse perspectives surround key performance indicators (KPIs) like subscriber numbers, page views, time spent on the website, and bounce rates. While opinions on the relevance of these metrics differ among respondents, with equal percentages disagreeing and agreeing (35.2%), a majority perceive surveys and feedback mechanisms to assess content relevance, accuracy, and depth as indicative of the subscription model impact (51.9%).

Similarly, UX testing data and engagement metrics received contrasting opinions, emphasizing varied perceptions of their role in evaluating the influence of subscription-based models at TSG. The findings resonate with case studies of successful subscription

models, such as The New York Times and The Guardian, providing insights into content quality, price tactics, and innovative reader engagement approaches (Edgerly et al., 2020; Tandoc et al., 2019). These comparisons highlight the effectiveness and creative strategies employed by media organizations implementing successful subscription models, offering insights into audience engagement and reader experience. Effects on Audience Engagement and Reader Experience

Mean scores (2.89) provided an overview of TSG's measured impact. However, the high correlation (0.956) signified a notably significant positive association between subscription-based models and audience engagement, content quality, and reader experience, highlighting their interrelatedness.

2.2.3 Identifying Challenges and Barriers to Subscription-Based Revenue Models

Table 8: Challenges and Barriers to Subscription-Based Revenue Models

| | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Items | n | % | n | % | n | % | n | % | n | % |
| 1. Recommendations for subscription pricing models, including tiered pricing, discounts, and introductory offers | 41 | 25.0 | 6 | 5.7 | 6 | 5.7 | 46 | 44.3 | 26 | 25.2 |
| 2. Strategies for creating and curating high-quality, exclusive content for subscribers. | 17 | 6.2 | 5 | 4.8 | 16 | 5.2 | 61 | 58.6 | 26 | 25.2 |
| 3. Recommendations for marketing and promotion strategies to attract and retain subscribers. | 30 | 19.6 | 4 | 3.8 | 2 | 1.9 | 50 | 38.1 | 39 | 37.6 |
| 4. Considerations for adapting subscription models to the Kenyan context, including language, culture, and regional preferences. | 32 | 10.5 | 9 | 8.6 | 12 | 11.4 | 47 | 45.2 | 25 | 24.3 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 5. Projections of potential subscription revenue and ROI based on various strategies. | 37 | 15.2 | 8 | 7.6 | 4 | 3.8 | 44 | 42.4 | 32 | 31.0 |

The analysis of respondent perspectives on challenges and barriers in implementing subscription-based models at The Standard Group (TSG) present diverse viewpoints aligned to identify challenges and barriers.

Various factors such as reader perceptions on paying for news content, competitor analysis, technical challenges in setting up subscription systems, workforce readiness, and legal barriers received contrasting opinions among respondents. These differing perspectives underscore the varying significance attached to understanding reader perceptions and analyzing competitors' strategies, technical challenges, workforce readiness, and legal barriers in the adoption of subscription-based models at TSG. The findings resonate with studies emphasizing the importance of diversifying content offerings and leveraging data analytics to optimize subscription revenue by customizing content, marketing, and pricing strategies (Picard, 2018). These insights reinforce the challenges and strategies that media companies consider while transitioning to subscription-based models for sustainable revenue streams.

Challenges During Transition:

Mean scores (3.01) indicated a moderate difficulty level during the transition period. Correlation analysis (SM: 0.908, IP: 0.912) underscored a strong relationship between these challenges and the perceived impact of the subscription model, emphasizing the need to address these challenges for a favourable overall impact.

2.2.4 Recommendations and Strategies

Table 9: Recommendations and Strategies

| | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly Agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| Items | n | % | n | % | n | % | n | % | n | % |
| 1. Survey data on reader perceptions and resistance to paying for news content. | 37 | 35.2 | 12 | 11.4 | 14 | 13.3 | 37 | 35.2 | 5 | 4.9 |
| 2. An analysis of competing media outlets and their strategies in Kenya. | 19 | 18.1 | 9 | 8.6 | 13 | 12.4 | 44 | 41.9 | 20 | 19.0 |
| 3. Identification of technical challenges in setting up subscription systems and any associated costs. | 34 | 32.4 | 6 | 5.7 | 5 | 4.8 | 24 | 22.9 | 36 | 34.2 |
| 4. Information on workforce readiness, staff training needs, and potential resistance to change within TSG . | 26 | 24.7 | 5 | 4.8 | 13 | 12.4 | 46 | 43.8 | 15 | 14.3 |
| 5. Any legal or regulatory barriers that may impact subscription-based models. | 31 | 29.5 | 15 | 14.3 | 13 | 12.4 | 36 | 34.3 | 10 | 9.5 |

Recommendations and Strategies

The conclusions drawn from respondent feedback aligning to provide recommendations and strategies for the successful implementation and sustainability of subscription models for news content at The Standard Media Group reveal various critical suggestions. A significant percentage acknowledged the importance of subscription pricing structures (44.3%), indicating a consensus among employees at TSG regarding the significance of pricing recommendations. The majority (58.6%) recognized the

importance of producing and selecting premium, unique content for the profitability of subscription models, with substantial support (25.2%) for this suggestion.

Views on marketing techniques varied, with a notable majority (37.6%) strongly agreeing on their importance and 19.6% strongly disagreeing. The adaptation of subscription models to the Kenyan context was recognized by a majority (45.2%) as essential, although 10.5% strongly disagreed. Predictions of subscription revenue and ROI based on different tactics were considered important by a considerable percentage (42.4%), demonstrating substantial support (31.0%) for this strategic approach.

These findings highlight the varied perspectives among respondents regarding critical suggestions and strategies for effective implementation and sustainability of subscription-based models for news content, emphasizing the importance of pricing structures, unique content, marketing techniques, adaptation to local context, and revenue predictions.

> *"The profitability of subscription business models depends on ways for creating and choosing premium, original content, and the implementation of subscription price structures, marketing strategies, and promotion concepts."* - Media Manager 003.

Recommendations for Implementation and Sustainability

Mean scores (3.12) reflected a moderate consensus among stakeholders on strategies. Correlation analysis (SM: 0.895, IP: 0.921) demonstrated a strong alignment between these recommendations and the expected impact of the subscription model, highlighting their relevance for implementation and sustainability.

Therefore, it is crucial to emphasize that The Standard Group should implement the provided recommendations and strategies to bolster the viability of its subscription revenue models.

## 2.3 Summary

The research findings obtained through statistical analysis align closely with the specific objectives outlined in the study. Firstly, regarding the evaluation of factors driving The Standard Group's adoption of subscription revenue models for news content (Objective 1), the statistical measures, including Standard Deviation and Correlations, were instrumental. The high level of agreement among respondents (mean score: 3.78) on driving elements and the strong positive relationship between these factors and the subscription model (correlation: 0.892) established a solid rationale for the adoption. Secondly, in the analysis of the effects of subscription-based models on audience engagement and reader experience (Objective 2), the findings portrayed a notable association between subscription models and audience engagement, content quality, and reader experience.

Although the measured impact was mild overall (mean: 2.89), the substantial correlation (0.956) emphasized a notably significant positive association, supporting the relevance and impact of subscription-based models on these aspects. Thirdly, in line with identifying challenges and barriers encountered during the transition to subscription-based revenue models since 2021 (Objective 3), the analysis revealed a moderate difficulty level during this period (mean: 3.01).

Additionally, the strong correlations between these challenges and the perceived impact of the subscription model (SM: 0.908, IP: 0.912) underscored the significance of addressing these challenges for an overall favourable impact, aligning to identify transition barriers.

Lastly, concerning the provision of recommendations and strategies for the successful implementation and sustainability of subscription models for news content (Objective 4), the research indicated a moderate consensus among stakeholders on strategies (mean: 3.12). Moreover, the strong correlations between these recommendations and the expected impact of the subscription model (SM: 0.895, IP: 0.921) emphasized their alignment to offer strategic recommendations for implementation and sustainability. In summary, the statistical analyses validated the research objectives, offering comprehensive insights into driving factors, impacts, challenges, and strategic recommendations for the successful adoption and sustainability of subscription models for news content at The Standard Group.

CHAPTER THREE

CONCLUSIONS AND RECOMMENDATIONS

3.1 Introduction

Based on the study findings and data, several conclusions can be drawn regarding the adoption of subscription-based revenue models for news content at The Standard Group (TSG).

3.2 Conclusions

The examination of The Standard Group's shift to subscription revenue models for news content showcases strong motives for this strategy change, highlighted by high agreement among respondents and a substantial inclination towards subscription-based models. Despite TSG's measured low overall impact of subscription models, strong associations with specific factors underscore their significant influence on reader experience, content quality, and audience engagement—crucial aspects for a news organization.

The assessment of challenges during the transition reveals a moderate difficulty level, closely related to the subscription model and its perceived impact, emphasizing the need to overcome these hurdles for an overall positive impact. Stakeholders' moderate consensus on recommendations and tactics aligning closely with the subscription model and its anticipated impact underscores their crucial role in ensuring the successful implementation and sustainability of TSG's subscription-based models.

The regression analysis presents robust findings, indicating a strong fit of the model to observed data, showcasing a considerable and direct influence of independent variables

on the Subscription Model. Additionally, the empirical insights revealed through the regression analysis shed light on several crucial aspects. Higher-quality content indicators correlate significantly with increased subscription revenue, emphasizing the impact of content quality on subscriber engagement and revenue. Different pricing structures show distinct correlations with subscription revenue, offering insights into effective pricing models for revenue maximization and subscriber retention.

Enhanced user engagement metrics exhibit a strong association with increased subscription revenue, underlining the importance of user engagement for revenue generation. Demographic variables showcase correlations with subscription revenue, revealing demographics more inclined towards subscriptions, informing targeted marketing strategies.

Finally, the impact of promotional campaigns on subscription revenue demonstrates the effectiveness of marketing efforts in acquiring and retaining subscribers. These empirical insights serve as substantiated evidence, demonstrating the influence of content quality, pricing structures, user engagement, demographics, and promotional campaigns on subscription revenue. They provide valuable guidance for strategic decision-making at The Standard Group in Kenya, aiding in content creation, targeted marketing initiatives, and optimizing the subscription model for enhanced revenue and long-term sustainability in the evolving media landscape

3.3 Recommendations

Employ Data-Driven Error Correction: TSG should leverage data extensively for decision-making, analyzing historical revenue trends, market insights, and reader

behaviour to refine its subscription models and ensure alignment with audience needs and long-term profitability.

Make an Exclusive, High-Quality Content Investment: Invest in premium, unique content to engage subscribers beyond what's offered to non-subscribers, as high-quality content is pivotal in attracting and retaining subscribers.

Examine Rival Media Sources: Regularly analyze competitor strategies to develop effective plans and stay ahead in the market by identifying opportunities and gaps.

Adjust to the Situation in Kenya: Customize subscription plans by prioritizing regional tastes, language, and culture to connect with the local audience effectively.

Put in Place Feedback Systems: Establish feedback mechanisms such as surveys to gauge reader preferences, attitudes, and willingness to pay for news, using this continuous loop to adapt content and subscription models.

Talk about Workforce Preparedness: Evaluate staff readiness, provide necessary training, and address internal resistance for a smooth transition to subscription models.

Remain Alert Regarding Legal and Regulatory Obstacles: Stay vigilant about potential legal barriers and ensure compliance with relevant laws to prevent any impediments to the transition.

Create Financial Projections that are Transparent: Develop clear financial predictions to guide decision-makers and stakeholders, despite varying views on this aspect, promoting transparency in financial planning.

Examine Pricing Structures: Experiment with introductory deals, discounts, and tiered pricing to find a balance between affordability and profitability, aiming to broaden subscription market access.

Make a Marketing and Promotion Investment: Invest significantly in marketing campaigns to drive membership growth and increase TSG's impact and reach.

Encourage Inclusive Talks: Foster open dialogue among stakeholders to consider diverse viewpoints and concerns, fostering a collaborative approach to the transition.

Track Key Performance Indicators Constantly: Continuously monitor metrics related to reader experience, content quality, and key performance indicators, adapting plans based on feedback and data analysis.

Make User Experience (UX) Investments: Allocate resources for UX testing and optimization to ensure a seamless and enjoyable experience for subscribers.
Continue to Communicate Openly: Maintain transparent communication with readers, emphasizing the benefits of subscription models and high-quality journalism to build trust and improve subscriber connections.

Welcome Change: Embrace innovation and new strategies to adapt to the evolving media landscape, staying proactive in industry trends for sustained success in the subscription-based market.

PROJECT DOCUMENT

Data-Driven Decision-Making Strategy for Implementation

For The Standard Group to succeed in the ever-changing business environment of today, making well-informed decisions is essential. The absence of a methodical strategy to make the most of the abundance of data available is a problem that needs urgent fixing. Taking this into account, my suggested approach attempts to close the gap by utilizing an extensive Data-Driven Decision-Making Strategy. This approach extends beyond simple data gathering and includes building an advanced data analytics infrastructure, assembling a skilled workforce, and fostering a culture that prioritizes data-driven insights.

My plan is positioned to transform strategic formulation and assessment by tackling the underlying issue of inadequate data-driven decision-making. This will create an atmosphere where all decisions are based on timely and reliable data. I outline the elements of this plan in the specifics that follow, along with the timetables, resources, and actions that must be taken to successfully execute it.

Table 10: Issues the researcher seeks to implement as a result of the research

| Problem | Lack of data-driven decision-making hinders effective strategy formulation and evaluation. |
|---|---|
| Product | Establish a strong strategy for data-driven decision making that includes building an extensive infrastructure for data analytics. This infrastructure will comprise effective data collection tools, sophisticated analytics software, and dashboards for visualizing data. |
| Why the Product | Accurate and timely insights are the cornerstone for well-informed strategic choices. Through the implementation of a data-driven approach, the organization hopes to improve its capacity for developing and assessing plans that are grounded on dependable data. |

| | |
|---|---|
| Solutions | 1. Data Analytics Infrastructure: Create and put into place a cutting-edge data analytics infrastructure with intuitive dashboards, innovative analytics software, and efficient data collection methods.<br>2. Skill and Expertise: Put together a knowledgeable data analytics team that can analyze large, complicated data sets and deliver insights that can be put to use. |
| Implementation Team | A dedicated Data Analytics Team comprising data scientists, analysts, editorial team and IT professionals. |
| Resources | Financial resources for investing in data analytics software, hardware, and personnel. Additionally, access to relevant data sources for comprehensive analysis. I recommend data tools like Marfeel for editorial content analysis and Poool for Subscription monetization |
| Time Plan | Six months for the complete implementation of the Data-Driven Decision-Making Strategy. This includes the setup of the analytics infrastructure, recruitment and training of the data analytics team, and integration with existing systems. |
| Monitoring & Evaluation | Continuous monitoring of data analytics outputs to ensure that strategic initiatives are effectively guided by data-driven decisions. Regular evaluations will be conducted to measure the impact of data-driven strategies on overall organizational performance. Key performance indicators (KPIs) will be established to track the success of the implementation. |

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APPENDICES

Appendix A:   In-depth Interview Guide

Interview Questions:

**For Management:**

1.  What were the main motivations behind adopting a subscription revenue model for news content?

2.  How has the transition to a subscription model affected the overall revenue structure and financial stability of The Standard Group ?

3.  What challenges or obstacles did the organization face during the implementation of the subscription model?

4.  What strategies have been employed to attract and retain subscribers?

5.  How do you measure the success of the subscription model in terms of financial sustainability and audience engagement?

**For Editorial Staff:**

1.  How has the introduction of a subscription model influenced the type of content produced and its quality?

2.  Have there been any shifts in editorial priorities or approaches as a result of the subscription model?

3.  How do you balance the need to create valuable content for subscribers while ensuring open-access content for non-subscribers?

4.  What challenges or opportunities do you perceive in terms of delivering content that meets subscriber expectations?

5.  How does subscriber feedback impact content decisions and adjustments?

**For Subscribers:**

2   What motivated you to subscribe to The Standard Group 's digital news content?

3   How satisfied are you with the content and value you receive as a subscriber?

4   Has your news consumption pattern changed since subscribing? If yes, how?

5   What features or content types do you find most valuable in your subscription?

6   Are there any aspects of the subscription model that you find particularly appealing

or challenging?

Appendix B: Questionnaire

Research Survey - Analyzing Subscription Revenue Models for News Content: A Case Study of The Standard Group in Kenya

Introduction:

Thank you for participating in this survey study. The purpose of this survey is to gather insights into the viability and impact of subscription revenue models for news content, focusing on The Standard Group in Kenya. Your participation is crucial in helping us understand the dynamics of subscription-based news models and their implications for media organizations. Your responses will remain confidential and will be used for research purposes only.

**Section 1: Demographic Information:**

Gender: [Male / Female / Other / Prefer not to say]

Age: [18-24 / 25-34 / 35-44 / 45-54 / 55+]

Location: [City / Town / Rural Area]

Education Level: [High School / Bachelor's Degree / Master's Degree / PhD]

Occupation: [Student / Professional / Self-employed / Other]

**Section 2: News Consumption Habits:**

6. How often do you consume news content? [Multiple times a day / Once a day / Few times a week / Rarely]

Which sources do you primarily use for news? [Traditional Newspapers / Online News Websites / Social Media / TV News / Radio]

Have you ever subscribed to a digital news service? [Yes / No]

If yes, please specify the services you have subscribed to: [List of options]

**Section 3: Subscription Models and The Standard Group :**

9. Are you familiar with The Standard Group? [Yes / No]

Have you ever subscribed to The Standard Group 's digital news content? [Yes / No]

If yes, please specify the type of subscription: [Print Subscription / Digital

Subscription / Both]

If no, please specify the reasons for not subscribing: [Lack of Interest / Price / Content

Availability / Other]

**Section 4: Factors Influencing Subscription Decisions:**

11. What factors would make you consider subscribing to The Standard Group's

digital news content? [Content Quality / Exclusive Stories / Pricing / User Experience

/ Other]

How important is the trustworthiness of the news source when considering a

subscription? [Very Important / Important / Neutral / Not Important]

How do you perceive the pricing of The Standard Group's subscription packages?

[Affordable / Expensive / Fair]

**Section 5: Impact on News Consumption and Quality:**

14. Has subscribing to The Standard Group's digital news content changed your news

consumption habits? [Yes / No]

- If yes, please explain how it has changed: [Open-ended response]

15. Do you believe that subscription-based models lead to higher-quality news content?

[Strongly Agree / Agree / Neutral / Disagree / Strongly Disagree]

**Section 6: Feedback and Suggestions:**

16. Do you have any suggestions or feedback for The Standard Group  to improve their

subscription offerings or news content quality? [Open-ended response]

Conclusion:

Thank you for participating in this survey. Your input is invaluable for our research on

subscription revenue models for news content. Your responses will contribute to a better

understanding of the impact and viability of such models for media organizations in Kenya. If you have any additional comments or insights, please feel free to share them below.

End of Survey

## Appendix C:  AKU Ethics Review Committee Approval Letter

**THE AGA KHAN UNIVERSITY**

*Graduate School of Media and Communications*

REF: AKU-GSMC/ERC/2023/EMMLI 0033

Date: November 13, 2023.

Dear Anthony Makokha (Student No. 569014)

**RE: ANALYZING THE VIABILITY OF SUBSCRIPTION REVENUE MODEL FOR THE STANDARD GROUP IN KENYA**

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 0033.

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**

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