STATE

OF

THE

EPAPER

European ePaper Benchmark Report
Autumn 2017

VISIOLINK

INTRO

The ePaper is like a snowball rolling down a hill. It just keeps growing. For a fourth consecutive year, we've seen increases on pretty much all parameters and frankly, we don't see it slowing down any time soon. The media industry has embraced the digital paper and so have the readers.

At Visiolink, we know that the ePaper plays a large role in the media companies overall business model. Interactive advertisements like clickable ads and interstitials are just some of the ways for the media companies to create new revenue streams through the ePaper. And since the ePaper is continuously gaining ground, you can understand why the media companies are fond of it.

Obviously, it isn't all just a walk in the park. Like the print paper, it's difficult to attract users from all age groups. Especially the younger segments are particularly difficult to onboard to a digital subscription. Therefore, this year's European Benchmark Report will address this challenge and provide you with some valuable knowledge that will strengthen your future onboarding initiatives.

If you have any questions regarding this report, we'd be happy to hear from you. You can reach our Business Consultant Daniel Rostamzadeh by emailing dro@visiolink.com.
So, without further ado, let's get started.
Hope you'll enjoy reading this report!

WHAT WE DID

The statements of this report are primarily based on our annual user survey. The survey contains the answers of 6284 respondents spread across Denmark, Finland, Germany and Norway. These respondents all have a subscription to one or more newspaper titles. The respondents are divided into 61.5 percent men and 38.5 percent women.

Furthermore, we've pulled statistical data from Google Analytics from 146 newspapers across Belgium, Denmark, Finland, Germany, Ireland, Norway, Netherlands and Sweden. These are used to supplement the findings of the user survey. As something new, we've made use of external sources in order to analyze something about non-users.

These sources are Reuters' Digital News Report 2017 and Audience Project Insights 2017.

6284
respondents

38.5%   61.5%
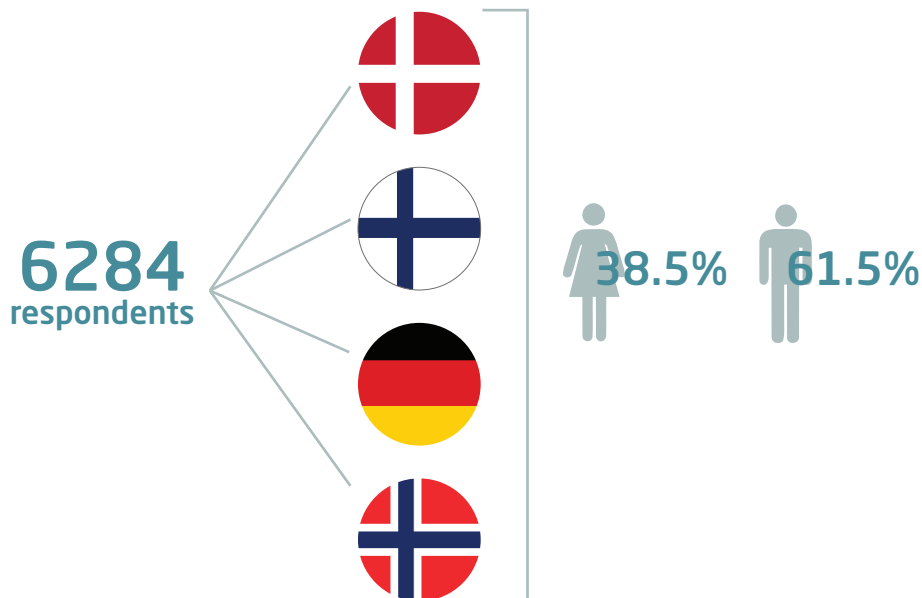
WHAT YOU'LL LEARN

Availability is the key motivator for ePaper users

ePaper users' reading patterns are changing

Mobile has overtaken desktop in publication downloads

Mobile is a very important platform for the younger readers

CHAPTERS

01 The ePaper continues to grow

Back in 2014, we developed the metric - ePaper penetration. It's used to determine the ePaper's percentual reach compared to the newspaper's circulation. So far, the ePaper penetration has seen progress every year and this year is no exception. Last year's average was 12.5 percent, and this figure has seen a small increase to 15.4 percent. In total, there's been an increase of seven percentage points since we first started doing this in 2014.

The ePaper is slowly but steadily moving in the right direction, and there has never been as much focus on the digital paper as we see today. We know from our customers that the ePaper is increasingly considered to be an important source of revenue rather than a supplement to the print paper.

Since the ePaper continues to grow, while the print paper is falling in circulation, it's important that you onboard while you can. As this report will conclude, ePaper users generally show high loyalty, so if you're able to convert them before they churn, then you may very well be able to retain them for a long period.
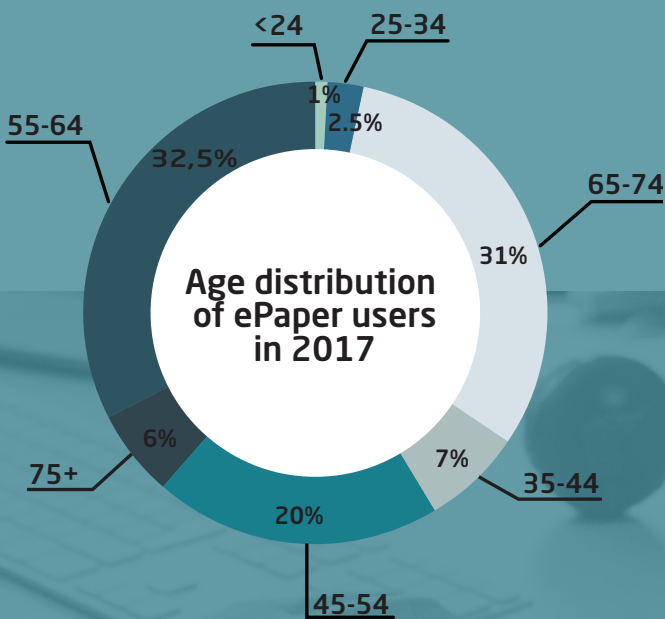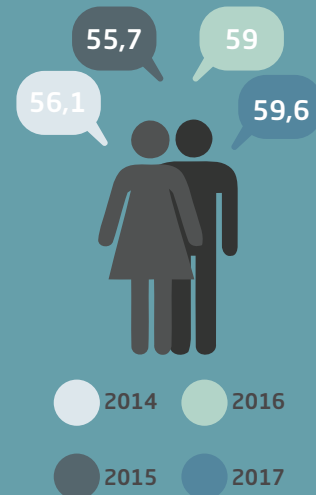
ePaper penetration rate across 2014, 2016 and 2017

2014

2016

2017

ePaper penetration grew
23.2%
over a year

ePaper penetration grew
83.3%
since we started measurements

02 Meet the average ePaper user

Not much has changed regarding the age distribution of ePaper users. Compared to 2016, the average age of the respondents has moved from 59 to 59,6 years of age, which is pretty much equivalent to the natural aging of the respondents from last year's benchmark report.

Average age of ePaper users across 2014-2017

55,7
59
56,1
59,6

2014   2016

2015   2017

Age distribution of ePaper users in 2017

<24 — 1%
25-34 — 2.5%
55-64 — 32,5%
65-74 — 31%
75+ — 6%
45-54 — 20%
35-44 — 7%

The age distribution of ePaper users pretty much follows the same pattern today as in 2014. The media companies still struggle to onboard the younger segments that would decrease the average age of the ePaper readers and ensure a more even age distrubution

While the age of the average ePaper user hasn't changed significantly, we can't say the same about how much time the users spend with the ePaper.

The average time spent with the ePaper across all ages is 25.5 minutes. That's an increase of 10 percent compared to 2016. Behind this development, hides the fact that there's a huge difference between the time spent and the users' age. Users above the age of 54 use remarkably more time with the ePaper than the younger segments.

Average time spent reading the ePaper per age group

20min   21min   19min   21min   24min   29min   30min

<24   25-34   35-44   45-54   55-64   65-74   75+
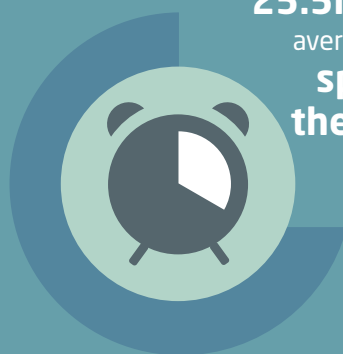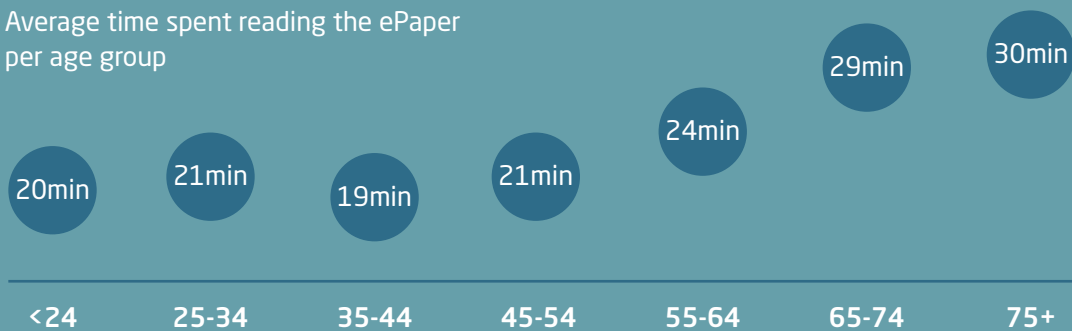
25.5min
average **time
spent** with
the ePaper
in **2017**

03 The ePaper is an important news source

We've already looked at some of the demographic characteristics of the ePaper users. Now we'll look into their preferences. Both what they say they prefer and which preferences we can measure. We therefore asked the users how important the ePaper is as a news source.

It's interesting to see that approximately 80 percent of the respondents consider the ePaper to be a very important or primary news source – across all ages, that is. There might be fewer subscribers in the age of 54 or less, but they're apparently just as fond of the product as the older segments.

80%
of respondents consider the ePaper to be a very important or primary news source

ePaper as a primary and very important news source across 2014-2017
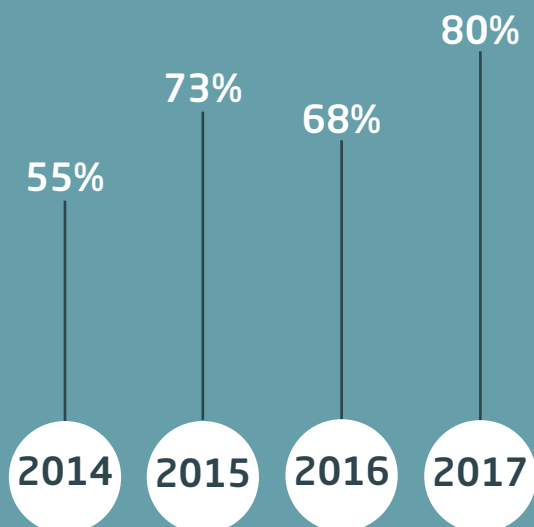
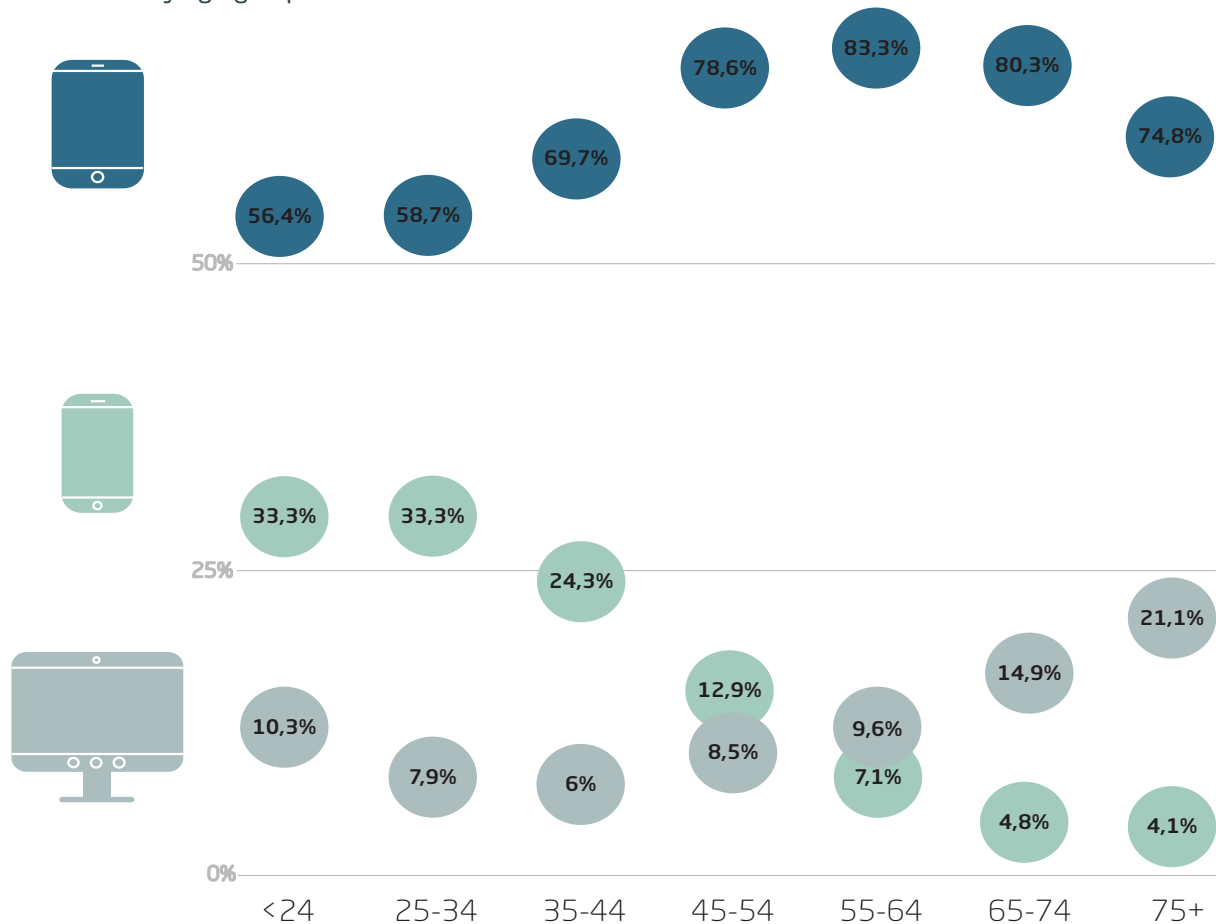55%
2014

73%
2015

68%
2016

80%
2017
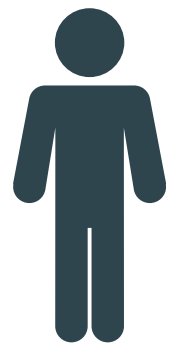
Compared to earlier years, we can conclude that the ePaper has generally achieved a greater status. This is emphasized if we group "My primary news source" and "A very important news source".

04 Your ePaper should be optimised for mobile

So, the users consider the ePaper to be an important news source. But news and other editorial content come in many shapes and sizes, so to speak. The replica, for instance, is ideal for tablet due to the size of the screen, while it isn't necessarily ideal for the small smartphone screens. In spite of this, the smartphone is extremely popular among the youngest ePaper users.

When asked which platform they prefer for ePaper reading, the users across all age groups agree on the tablet. The smartphone also plays a significant role though. Users up to the age of 54 would rather read the ePaper on a mobile than in a web browser, and it's especially worth noticing that a third of the users, who are 34 years or less of age, actually prefer reading on a smartphone.

Device of choice by age group

| Age group	< 24	25-34	35-44	45-54	55-64	65-74	75+
Tablet	56,4%	58,7%	69,7%	78,6%	83,3%	80,3%	74,8%
Smartphone	33,3%	33,3%	24,3%	12,9%	7,1%	4,8%	4,1%
Desktop	10,3%	7,9%	6%	8,5%	9,6%	14,9%	21,1%

50%

25%

0%

4.1   Mobile has overtaken desktop

We've dived into the data from 146 of our customers in order to specify which platform is most commonly used for downloading a publication. And to no surprise, the tablet is still superior. More surprising is it that mobile has overtaken desktop from mid-June and onward. That is quite something as it's the first time we have seen this tendency in our customer portfolio.

Publication downloads in the end of 09 2017.
Google Analytics data from 146 newspapers.

1   81 millions downloads

2   32 millions downloads

3   31 millions downloads
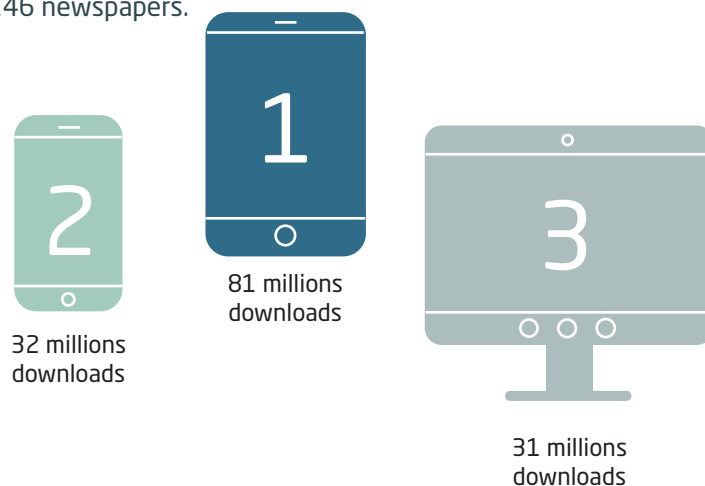
4.2   Non-users are also increasingly using mobile for news

As we have just seen, the mobile is obviously an important platform for the ePaper users. But how about the non-users? In order to explore this, we've made use of some external empirical studies.

In Reuters Institute Digital News Report 2017, we see the same convincing mobile development. This study also shows that smartphone news use has been increasing significantly since 2013. In 2017, smartphones reached a par with computers in terms of news access in numerous countries e.g. United States, United Kingdom and Norway.

In general, Asian and Nordic countries have moved furthest along the mobile first path - topped by Hong Kong where the percentage point difference between those using smartphone and computer as main news source is 36. In Sweden, the difference is 22 percentage points.

So, it's quite clear, it goes for ePaper users as well as non-users that the smartphone is catching up on its oversized counterparts.

05 Reading patterns are changing

We now know that smartphones are gaining ground in terms of news use. In order to explore how this change of usage habits affects the ePaper, we asked the users how they prefer to read the ePaper.
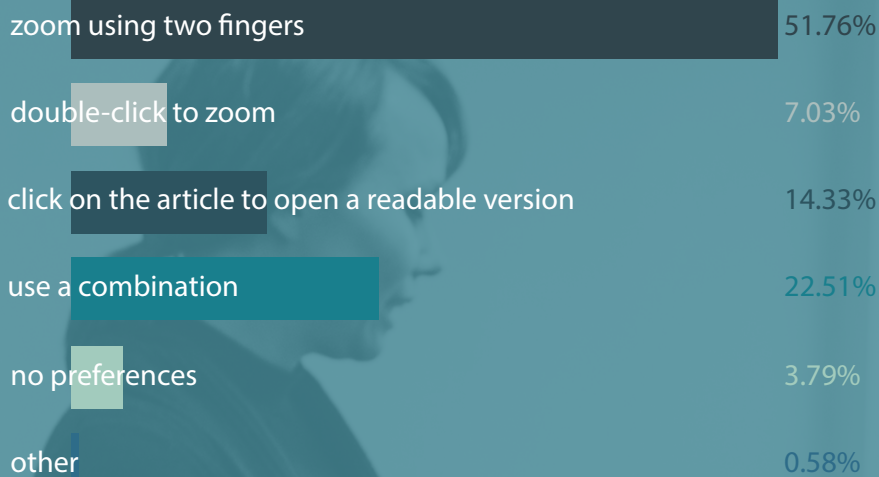
While more than half of the respondents zoom in on the replica, more than a third prefer to use a reading mode feature we call 'Article view' either all the time or in a combination. This feature changes the interface, when you click an article, into a more conve-
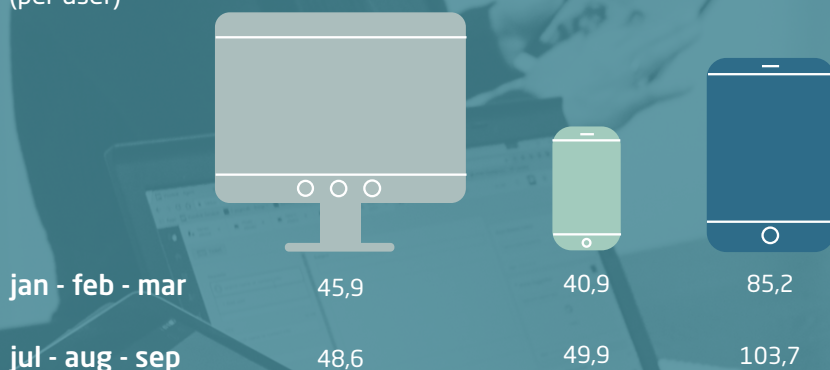
nient and readable layout.

This finding inspired us to explore whether there's a connection between what the respondents say and how the Article view feature actually performs.

Our Google Analytics data confirms that Article view is a frequently used feature, and there's been a significant increase in Article views throughout the year on tablet as well as mobile.

How readers prefer reading ePaper

zoom using two fingers	51.76%
double-click to zoom	7.03%
click on the article to open a readable version	14.33%
use a combination	22.51%
no preferences	3.79%
other	0.58%

Development of article view
(per user)

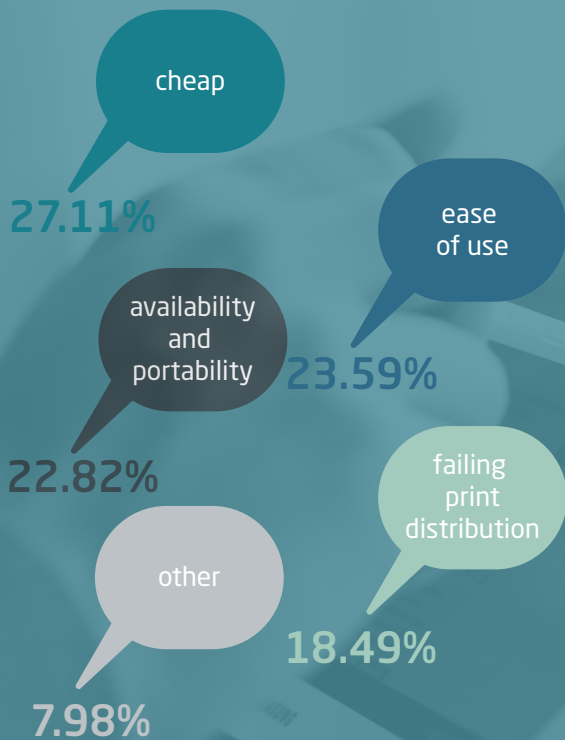|			
jan - feb - mar	45,9	40,9	85,2
jul - aug - sep	48,6	49,9	103,7

06 Readers choose the ePaper for these reasons

Article view is just one example of a feature you'll only find in the ePaper and not in the print paper. In order to clarify what the users think is the biggest strength of the ePaper, we asked them what their motivation for using the ePaper is.

There's consensus across all age groups that the greatest strength of the ePaper is its availability. Unlike the print paper, it's available anywhere you go as long as you have a device that's connected to the internet. Or if you have already downloaded a publication.

availability
is the biggest strength of the ePaper

24/7

Free text answers about motivation for using ePaper

cheap

27.11%

ease of use

23.59%

availability and portability

22.82%

failing print distribution

18.49%

other

7.98%

We also asked the respondents to provide additional responses on the motivation for using the ePaper. These free text answers have been divided into five different headlines. It's worth noticing that "Failing Print Distribution" accounts for almost a fifth of the free text answers. While more than a quarter of the respondents find the price of the ePaper to be a positive factor.
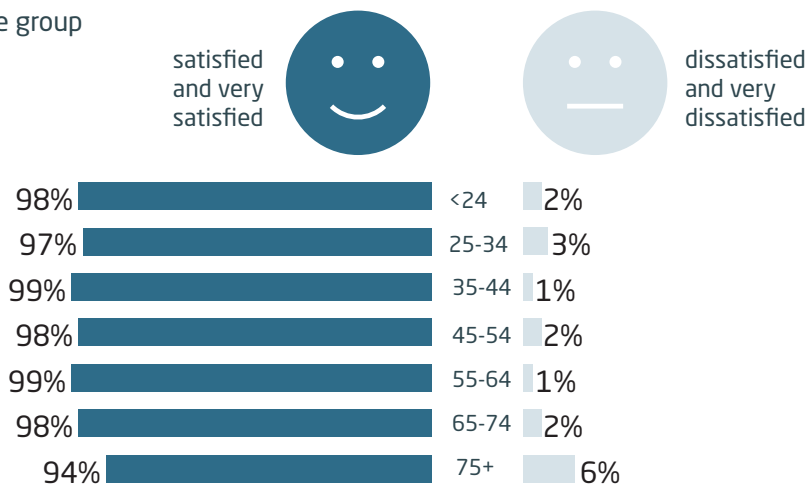
07 ePaper equals happy customers

When asked to which extent the users are satisfied with the ePaper, there's generally a very high level of satisfaction across all age groups. To take it one step further, we asked them how satisfied they are with each platform.
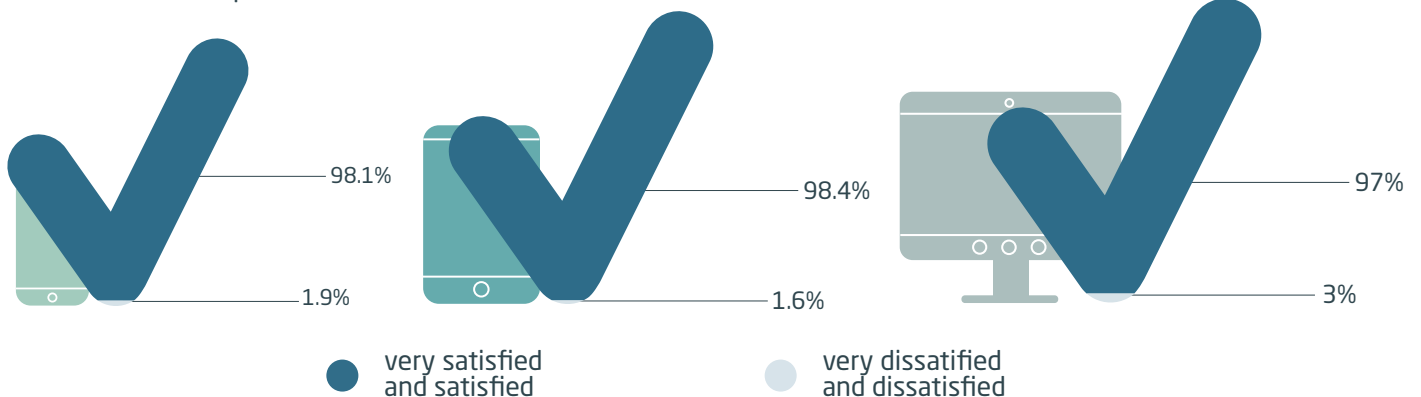
Earlier we found out that the tablet is superior when it comes to preferred reading device. But that doesn't mean that the mobile or desktop solutions are of lesser quality. Actually, there is a very high level of satisfaction across all three platforms. The tablet scores highest while the desktop is the platform that has most dissatisfied users – though only being three percent.

Satisfaction across age group

satisfied and very satisfied

dissatisfied and very dissatisfied

98%	<24	2%
97%	25-34	3%
99%	35-44	1%
98%	45-54	2%
99%	55-64	1%
98%	65-74	2%
94%	75+	6%

Satisfaction across platform

98.1%
1.9%

98.4%
1.6%

97%
3%

● very satisfied and satisfied   ● very dissatisfied and dissatisfied

08 ePaper readers are great promoters

The ePaper clearly has a lot of satisfied users, but just how likely are the users to recommend the ePaper to others? We've used a Net Promoter Score to establish this. We asked the readers how likely they were to recommend their ePaper on a scale from 0-10 (0 being "Very unlikely" and 10 being "Very likely"), and calculated a NPS by subtracting the so-called detractors (responses from 0-6) from the promoters (the 9 and 10 responses). Anything over a score of 0 is considered to be good, while anything over 50 is excellent.

There's a quite remarkable progress compared to last year's benchmark report. Back then, the score was a humble 7.5, but this time the score has seen a huge increase to 19.1.

The loyalty and willingness to recommend the ePaper is generally highest on tablet, while mobile and desktop is trailing behind, though they still get an acceptable score. It's safe to say that the users are positive across all platforms.

Detractors	Passives	Promoters
1 2 3 4 5 6	7 8	9 10
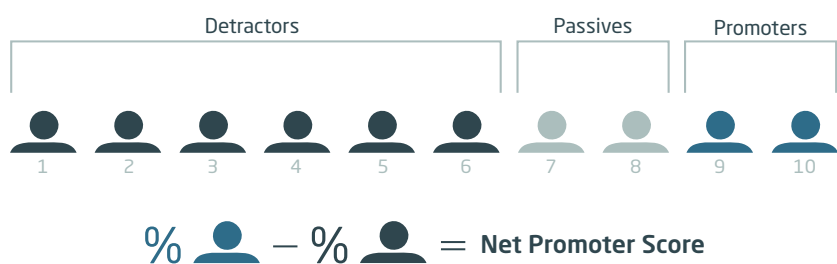
% 👤 − % 👤 = **Net Promoter Score**

Net promoter score across devices

21,0

14,6

11,4

NPS
for ePaper*
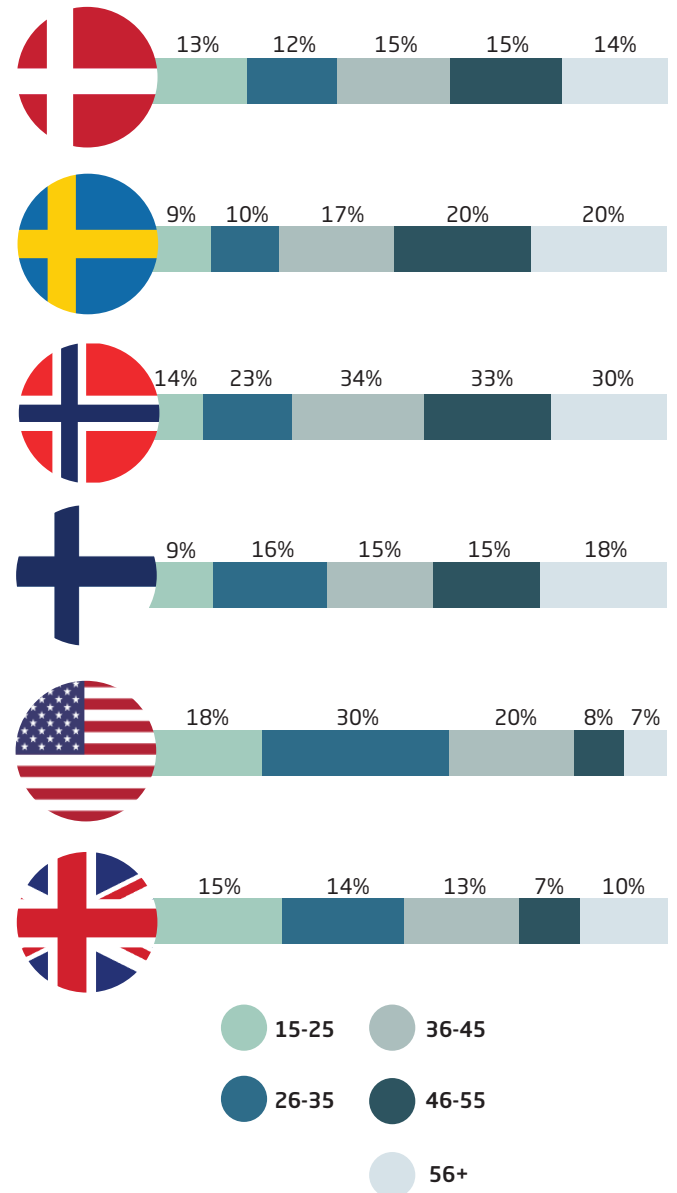19,1
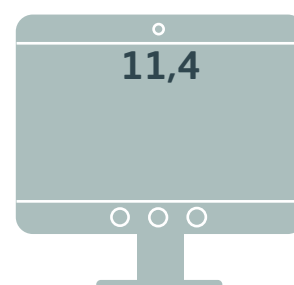
* Publishers using Visiolink's ePaper software

09 Willingness to pay differs across age

In order to obtain satisfied ePaper users and potential promoters, it's obvious that you need to onboard in the first place. Every media company will agree that this is the hardest part. Often it comes down to one thing: Money.

Since the ePaper in most cases has a paid subscription it's relevant to explore how willing the different age groups are to pay for content.
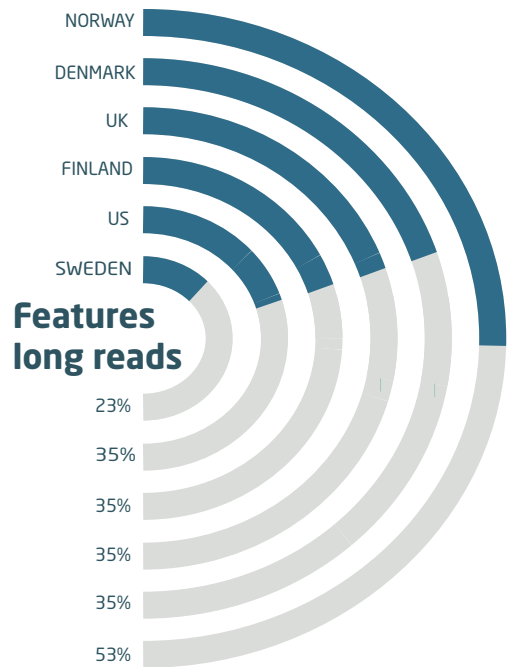
AudienceProject Insights 2017 shows that the willingness to pay is rather high in the age groups from 36 and up. US and UK deviate from the other countries as the younger segments are actually more willing to pay than the older segments. As for the Nordic countries, the largest amount of people, who are willing to pay for editorial content, are found within the older segments.

Willingness to pay for online editorial content across age groups

Denmark: 13% | 12% | 15% | 15% | 14%

Sweden: 9% | 10% | 17% | 20% | 20%

Norway: 14% | 23% | 34% | 33% | 30%

Finland: 9% | 16% | 15% | 15% | 18%

US: 18% | 30% | 20% | 8% | 7%

UK: 15% | 14% | 13% | 7% | 10%

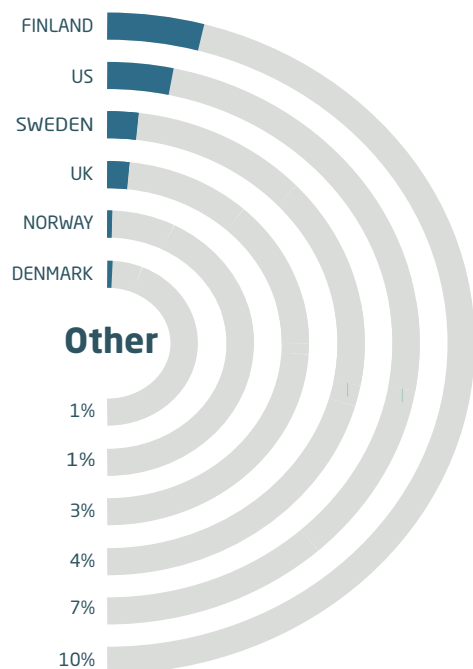Legend:
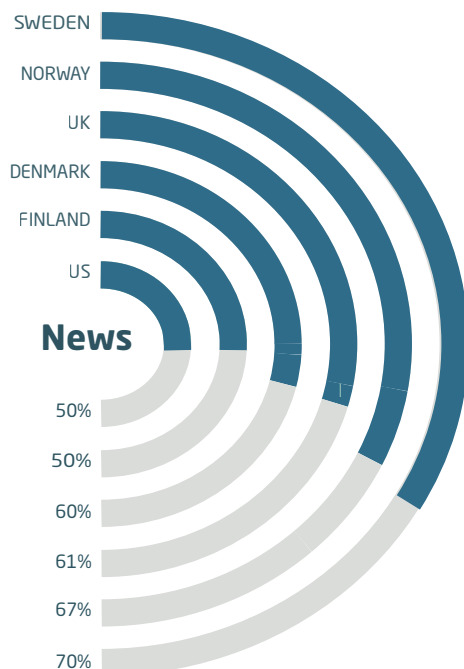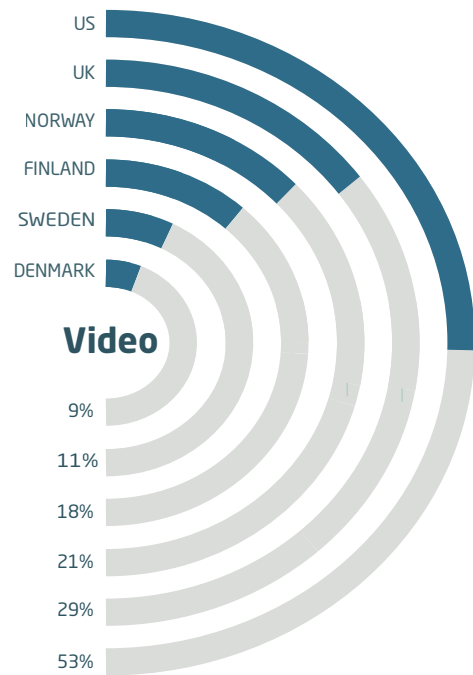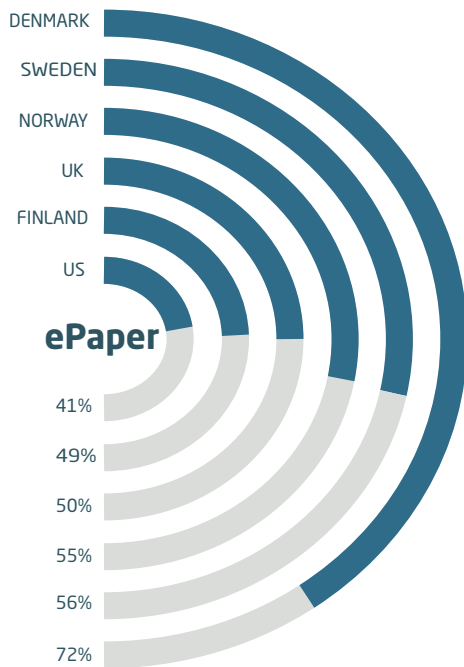- 15-25
- 26-35
- 36-45
- 46-55
- 56+

But what kind of content are they willing to pay for? According to AudienceProject Insights 2017, a significant 72 percent of Danes are willing to pay for a ePaper/eMagazine product. Also, Sweden, Norway, Finland and UK see a value in the digital paper. In average, 53 percent of the respondents are willing to pay for this media format. This coheres well with the fact that the ePaper is a product that has a lot of satisfied users as concluded in this report.

Features long reads

NORWAY
DENMARK
UK
FINLAND
US
SWEDEN

23%
35%
35%
35%
35%
53%

Online editorial content people are willing to pay for

ePaper

DENMARK
SWEDEN
NORWAY
UK
FINLAND
US

41%
49%
50%
55%
56%
72%

Video

US
UK
NORWAY
FINLAND
SWEDEN
DENMARK

9%
11%
18%
21%
29%
53%

News

SWEDEN
NORWAY
UK
DENMARK
FINLAND
US

50%
50%
60%
61%
67%
70%

Other

FINLAND
US
SWEDEN
UK
NORWAY
DENMARK

1%
1%
3%
4%
7%
10%

10 Start targeting the non-users

Even though the ePaper keeps growing and the readers are more satisfied than ever, there's still a big pool of attainable non-users the media companies have yet to successfully onboard.

Based on the findings of this report, there's especially one generation of people you should target - The Generation X. This generation of people are typically characterized as being born between the early-to-mid 1960s and the early 1980s. As this report have stated, people in this age group have both the willingness to pay for editorial content as well as the purchasing power.

We've already taken you through all the new data, we've gathered through our user survey, our Google Analytics data and the latest studies of the global media landscape. Now we'll summarize these findings into some Unique Selling Propositions, you can use when targeting potential users.

4 key takeaways
for ePaper publishers

Offer affordable quality news

Some age groups are more willing to pay for editorial content than others. You should consider Dynamic Pricing i.e. by offering special discounts to the younger segments with less purchasing power. All age groups show great satisfaction, so if you succeed at onboarding the younger segments, you may very well be able to retain them.

Retain your readers' attention

There's a huge difference between the time spent with the ePaper and the users' age. The question is how to convert this knowledge into something useful. For one, you should expose the users to as much content as possible within the given timeframe in order to retain their attention.

Appeal to younger sements with a mobile-friendly ePaper

The increasing popularity of smartphones – especially among the younger segments - emphasizes the importance of having a solution that's suited for this kind of device. In order to make the ePaper more mobile native, the content should be accessible independently of the publication replica.

Use the ePaper's biggest strength

The ePaper is always accessible making it the ideal portable solution, i.e. when commuting by public transportation. And it's reliable. You never have to worry about failing print distribution. It may be a good idea to offer an ePaper voucher to users, when and if the distribution of the print paper fails. By doing so, you will gain the goodwill of the subscribers, and the best thing about it is that the costs are insignificant.

Do you have any questions regarding ePaper data, reader surveys and how to use tracking?

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