ICT AND NEW BUSINESS MODELS FOR CULTURAL INDUSTRIES: A STUDY AND TYPOLOGY FROM THE CASE OF THE FRENCH PRESS (2012)

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FOREWORD

Internet is a unique medium to promote the emergence of new market designs and the emergence of new business models – supporting constantly renewed inventiveness. Quite often content and services no longer have value in themselves, as they used to: today, that has shifted to the economic production and consumption models within which they occur. The multiplication of these models or of the ways to make cultural content available reflects systematic strategies meant to innovate and explore alternative business models, capable of ensuring sustainability and profitability. The case of the press is quite symptomatic of that standpoint.

Owing to the impact of new information and communication technologies, a trend can be observed in the press industry today towards rebalancing printed and digital media; although less blatantly than in the music industry, it is nonetheless undoubtedly true. Indeed, in 2011, the French press boasted 4,116,914,238 copies (down 2.3%), sold by 858 news press publications and 5,882,975,026 internet visits (up 21.2%) to 123 news press websites.

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FIG1. NUMBER OF AVERRED VISITS OVER 5 YEARS- SOURCE OJD 2012

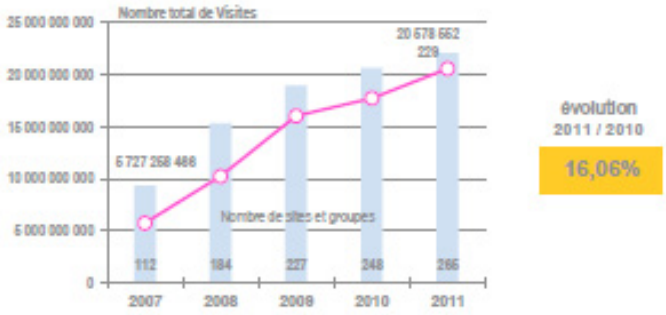
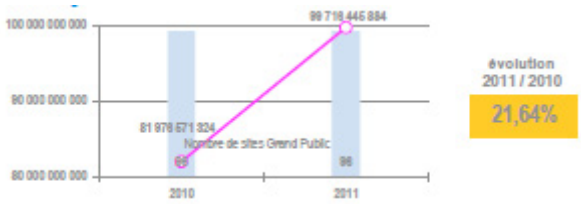


FIG 2. NUMBER OF PAGES VISITED ON MAINSTREAM SITES – SOURCE OJD 2012



This change is accompanied by a proliferation of original organizational forms and unprecedented forms of competition between traditional press publications and new information platforms. The large range of organizations is accompanied with the emergence of new multiple business models.

Given the resulting increased complexity of the press scene, the purpose of this project – "ICT and new business models for cultural industries: A study and typology from the case of the French press (2012)" – was to provide a categorization and typology aimed at specifying and understanding the evolutionary trajectories of the press economy and t emerging business models. It also aims to position traditional media models by highlighting innovative organizations and strategies, as well as general trends brought about by the digitalization of written supports.

BACKGROUND

The central role of business models accounting for ICT- related changes and the corresponding innovative strategies (Chesbrough, 2007; Teece, 2009; Benghozi, 2001) has in recent years been stressed in the literature (Mahadevan, 2000; Demil, 2004, Shafer et al
2005. Zott and Amitt, 2008, Osterwalder and Pigneur, 2010).

In content industries even more than in traditional ones – the ability to develop new services and structuring new business models boils down to the new articulation between technological media, on one hand, and new forms of content distribution and production on the other. The current emergence on the market of cultural goods brought by technology suppliers or telecommunications operators do not just result in a rebalancing act; it structurally disrupts business models and the very architecture of content economic sectors: supports are being dematerialized, purchases made on a flat- rate basis and products given away.

In this context, the press does not depart from the rule: it combines both a significant decrease in revenues and just as sharp a rise in its investments in information and communication technologies.

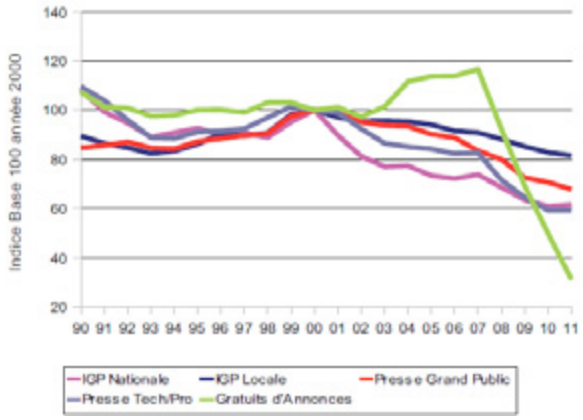


FIG3. EVOLUTION OF THE TOTAL TURNOVER IN CONSTANT EUROS SOURCE OJD 2012 [BASE 100 INDEX, YEAR 2000 / FREE TEXT ADS NEWSPAPERS]

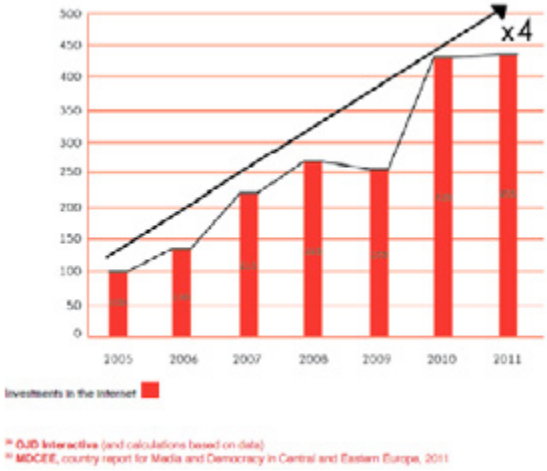


FIG4. EVOLUTION OF NEWSPAPERS PUBLISHERS' DIGITAL INVESTMENTS IN FRANCE

These new configurations call for new strategies by media players and new ways of building up their competitive positions. Forms of transaction and business models are getting increasingly sophisticated, and have become a major source of innovation and competition among press publications, which sometimes tend to operate not so much on the editorial project or the selection of information itself as on business models and ways of making data available to the public (Abecassis and Benghozi, 2012). In this new context, various media tend to provide the same contents, but these may be very different in nature. In online press publications, for example, professional journalists' articles, news by press agencies and blog entries are made available in very similar terms.

The press industry has been deeply "destabilized" by the abundance of content and the very different ways it is made available. This challenges traditional remuneration modes for journalists, publishers and distributors. The effect is even more powerful as online offerings are often combined, for different reasons, with the emergence of radically new supplies of free of charge content.

In such a setting, it seemed essential to understand the nature of current changes. By systematically reporting the supply modalities and the economic terms offered by news press websites, our goal was to identify the dominant strategic logics and anticipate changes in economic models, as entailed by the digital industry.

for this purpose, one of the first steps was to build, code and compile a large database of offerings made in 2012 by all types of news press websites and pure information players. It was in fact a matter of drawing the implications of our basic assumption that there is not one, but several, possible ways of generating income; these now coexist, and one type of business model cannot be imposed over all others. The press is rearranging itself around diverse offerings and companies with different functions and appropriability models. It was important therefore to understand the core features of such a variety of models by providing a categorization of current changes in the press industry business models.

The objective of our analysis therefore goes against the grain of most approaches traditionally mobilized in research on online media economics. In this case, we do not approach this economy by starting with distribution or aggregation sites – as has been traditionally done by work on the music industry and the media. Rather, we seek to study the economics of content producers, also considering therefore how business models are rooted in the organization of such production. We aim to develop a characterization and classification of business models by leveraging a multivariate statistical exploratory approach.

METHODOLOGY

Initially, we characterized French press websites. This stage of the research was conducted through a census, via the Internet, of various sites, while specifying their ranking across different dimensions: (i) institutional category, location, theme, publication frequency, (ii) content and online services; (iii) interaction devices with readers; (iv) storage devices; (v) content production networks; (vi) distribution devices, and (vii) pricing strategies. This initial work led to the creation of a unique and particularly rich database on 149 players' websites in the French online press. The choice of actors was made on the basis of this press site: http://www.ojd.com/; these players were selected in accordance with the usual existing types of French titles, in order to achieve good representation in terms of institutional and thematic categories, as well as regarding publication frequency, location and size.

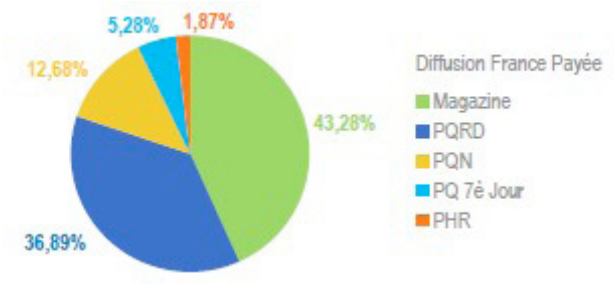


FIGURE 5. CIRCULATION OF PAID PRESS IN FRANCE (OJD 2012)
MAGAZINES / LOCAL DAILY / NATIONAL DAILY/ DAILY SUNDAY / REGIONAL WEEKLY

The second step mobilized an exploratory multivariate statistical approach in order to characterize and classify various business models. To generate a typology of business models in the digital press, we chose to perform a multiple correspondence analysis, followed by an ascending hierarchical classification. Both methods pertain to the multivariate analysis classification. The first one is an extension of the Correspondence Analysis (CA) for simultaneous study of several variables. The point of this method is to provide a common representation space to variables and individuals. The visualization of the factorial design presents information contained on the first two factorial axes (see Figure 4). The total number of lines used in the analysis (a 5- axis analysis in our case) has been selected according to the total inertia of the dot- cloud – variables and individuals – and to our methodological objectives (identifying relevant business mode classes).
As for the hierarchical cluster analysis, that method aims to get the most consistent possible

classes of individuals by forming the most homogeneous groups. With this method, we can identify variables capable of discriminating between classes, the most important characteristics per class and the most representative individuals in each class of business model.

ONLINE PRESS MODELS EARLY DIFFERENTIATION ELEMENTS

The growing diversity of organizations in the digital press feeds on the growing variety of its mutations and contexts (Dagiral and Parasie, 2010; Attias, 2007). The French press does not stay away from these transformations. The study of 149 online French offerings shows great disparity in terms of content and services; pricing and distribution strategies; and interaction devices with readers.

Indeed, one of the main effects of digitalization is the ability to multiply the terms of content provision and marketing thanks to content dematerialisation and delinearization opportunities. In this perspective, one of the first research results was to identify – during the preliminary coding of news press websites – which modalities proved the most significant in this case: offerings structure, pricing terms, interactivity with readers and modes of distribution.

1. **The supply structure**

The supply structure keeps evolving based on both the new contribution opportunities given to readers and on “customizing” interfaces and content. Thus, press publications tend to complete their online offerings with external content provided especially by guest bloggers (editorial blogs) and readers (comments written below articles and readers’ blogs). Readers’

contributions to the production of content is not limited to text content: creating and posting pictures, sounds and videos are, in some cases, part and parcel of the offerring (UGC[2]). In doing so, publications no longer offer an indivisible media – newsprint – aggregating the generated content in one single way. They are now open to new services such as personalized browsing[3], and thematic RSS feeds now enable them to offer readers content that is individually tailored to their needs and tastes. Moreover, with online offerings, readers are often informed of others' choices and interests thanks to the statistical devices about articles (most read, most commented, most shared...). Finally, the frequency of rolling releases is also an important innovation made possible by new technologies, and it has profoundly changed readers' practices, as they are led to increase their contacts with the site of one publication especially, rather than simply indulging in occasional purchases (on a daily basis, at best).

2. Monetization

The second important point is the variability of content monetization forms. In addition to the subscription pricing strategy, widely practised in the printed press, a great variety of pricing options has developed with ICT. Thus, articles and/or associated services can be sold per- unit or be offered free of charge for a limited period (time credit: the issue is available online for 24 hours) or in limited quantities (quantity credit: free access to 3 items). As additional sources of income, publishers can also use the offline consumption service (PDF articles) and access to digital archives.

3. Interactivity

The third significant trend is the evolution of interfaces available to readers and, consequently, new readership structuring, built around interactivity. New technologies have opened up access to a wide range of interaction devices with readers: from article assessment devices ("Like") – which content publishers can use to better target their production – to the constitution of their own social networks, exclusive to their readers[4]

2 User Generated Content.
3 Customized browsing means that users are able to manage the themes they feel like seeing on the site home page (for instance: http://news.google.fr/).
4 Readers might federate a group of individuals around a common theme or task, as is the case with www.lesinrocks.com

only. In the same vein, the creation of a page on existing social networks (e.g. Facebook) is a new option in the interaction between publishers and their consumers. All these interaction devices are often supplemented by discussion forums.

4. Distribution

Finally, new distribution channels, previously unavailable to newspaper industry players have developed. For example, social networks (e.g. Facebook, via the article- sharing feature); and digital kiosks, where a press publication is available, with a subscription or on a per- unit basis, on various supports (computers, tablets, smartphones and printed version).

THREE CLASSES OF IDENTIFIABLE BUSINESS MODELS

The purpose of the research was therefore to clarify the wide range of new opportunities mentioned above, by measuring whether some dominant forms might be looming, for all that, behind such a large observable variety, and, if so, what were their core features. The econometric study conducted on the database has actually identified three very distinct classes of business models in news press websites (Figure 4), and in a second stage identified their variables.

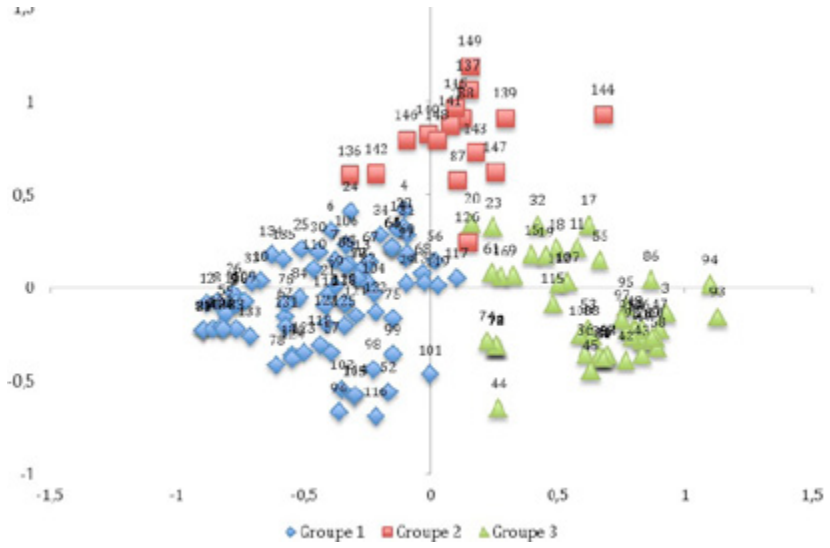


FIGURE 6 CLOUD OF DOTS: 149 PRESS PUBLICATIONS

All three classes stand out, especially on account of specific features characteristic of each of them[5], as described in Table 1, below.

Class 1	Class 2	Class 3
No read / commented statistics on articles	Frequency of rolling release	Availability of Web and WEB+ subscription pricing
No Twitter account	Pure Player: this site is not provided by a conventional media player	Availability of time credit/quantity credit pricing
No content sharing via social networks	Free access to archives	Availability of per- unit sale pricing
No article evaluation	Statistics on articles (most read, most commented, etc.)	Paying offline consumption
No RSS feed	Availability of other per- unit paying services	Paying archive access
No sponsored links as income model	No online sales (free online content and services)	Twitter account
No online payment facility available (subscription, time credit/quantity credit/ per- unit sale)	Possibility to consult and set up a readers' blog after subscribing	Statistics on articles (most read, most commented, etc)
No readers' comments	Possibility to contribute in UGC mode after subscribing	Sponsored links among other income sources
No UGC	Twitter account	Mobile version
No online archives	Possibility to evaluate articles	Readers' comments
No mobile version	Access to content from other press media	Facebook page

TABLE 1. CHARACTERISTIC FEATURES OF THREE BUSINESS MODEL CLASSES (IN ORDER OF IMPORTANCE REGARDING EACH CLASS)

In view of the identified variables, we characterized these three models as follows: "*A minima* digital" for Class 1, "Pure Players" for Class 2 and "Exploring Leaders" for Class 3.

1. *A minima* digital

We have designated Class 1 press titles under the term "*a minima* digital" because it includes publications relatively little open to the Internet and, in any case, that do not seek to exploit all such opportunities. Unlike some publications that are trying to take full potential of the Internet – to build up their audience, structure a readers' community by positioning itself as a reference portal in their field – publications filed in this class are content with minimal Internet use. They make do with rather poor sites that may be mere showcases. In the same vein, interaction with readers is still low. For example, it has been observed that among the 24% of sites in our sample with only a "showcase" Facebook page[6],

5 The Table shows the most significant characteristics of each class only. These features are exposed when comparing these three classes. For example, "no sponsored links as income model" in Class 1 means that, in this class, the number of press players using this income model is particularly low compared to the other two Classes and to the distribution of this variable in the sample. It is important to note that each Class-list of characteristics is not a comprehensive one.

6 So-called showcase pages do not look very sophisticated; they are often content with taking up again the text from the Wikipedia page corresponding to the news press website.

78% belong to Class 1. The article- comments system is little available in this class of offering: only 28% of 149 news press websites under study do not use this device, and 95% belong to that first Class[7].

Another example of this lack of commitment to digital devices can be found in the way online archives are dealt with: 59% of sites in Class 1 do not provide access to archives, not even against payment. As a comparison, figures become only 6% and 10% in Classes 2 and 3 respectively. Class 1 makes very little use of sponsored links as an income model. Thus, out of the 149 analyzed publications, 39% have no sponsored links, and 88% belong to Class 1.

All this goes to show – and this is why that name has been chosen – that this kind of business model is primarily driven by the strong desire to protect a traditional, cost effective and suitable business model. These publications dread seeing it challenged and cannibalized by online availability. The press players go online only because they feel forced to jump on the bandwagon and they prove to be the least affected by technological innovation. They sit on the fence regarding online publishing because, though they do launch online unambiguously and deliberately, they strive to preserve their historical model, and do not seek to develop related services and features to any great extent.

Titles in this class of business models include: *Gala*, *TV 2 Semaines*, *La Presse de la Manche* or *Métro*. More specifically, here are the most representative ones: *Top Vélo*, *Lutte Ouvrière*, *Tarn Libre*, *Le Courrier du Pays de Retz* and titles like *Bretons* or the *Canard Enchainé* (see List of publications per class).

It is also interesting to note that this class is strongly marked by its titles' frequency of publication. In fact, it consists of 71.6% of (bi)weekly, (bi)monthly and quarterly printed press titles, and only 28.4% of the daily press. This corroborates the result about the entire sample, namely that 52% of analyzed newspaper titles – with a publication frequency other than in rolling release or daily modes – 75% belong to Class 1. This finding is comparable to another observation we made: the number of magazines is greater in Class 1 relative to the other two: 71.43% of magazines in the whole sample belong to the first class of business models (the other 28.57% are in Class 3).

7 In terms of supply structuring and interaction devices, the publication *Les Inrockuptibles* in Class 1, embodies one of the rare occasions when an online rolling release magazine also upgrades its offering with article-

2. The Pure Players

The second class of news press websites – we call them "Pure Players" – brings together the new press players that aim at building original and consistent economic models, to enable them to reach an original and stable position. Thus, 100% of online publications (pure players) present in the sample belong to this class. In contrast, only two traditional printed press newspapers (*20 Minutes* and *France Soir*[8]) share Class 2 features. Otherwise, these, among others, are the most representative titles in this class: *France Info Net*, *Atlantico*, *Slate*, *Quoi.info* and *Rue89*.

This Class stands out on account of the richness of its main contents and related services (offered free of charge) and strong readers' involvement in the construction of the editorial offering. The great emphasis on gratuity is not only due to the use of sponsored links but it also articulates with the marketing of products and services that are independent of the main content (press articles), namely, books, comics, tutoring, dictionaries, etc... However, some titles, like *Mediapart*, are market out: these new press players have managed to build original business models thanks to a great variety of main content pricing mechanisms (time/quantity credit and various online subscriptions). But they nevertheless stick to the same editorial framework as information producers. They are based on a common vision of the press, but innovate mainly in terms of business models, modes of journalistic information production, and of building up a new relationship with a network of readers and contributors.

3. Exploring Leaders

Class 3, which we have called the "Exploring Leaders" is represented by the major players – such as *L'Équipe*, *La Tribune*, *L'Humanité*, *Libération, Le Figaro* and *Le Journal du Dimanche* – who are eager to protect their leadership position and well aware that, to do so, it is high time they explored the new configurations open on Internet. This class is made up of 80.4%
of newspapers and 63% of dailies: it includes, in particular, all the major titles.

FIGURE 7 HIGHEST 2011 CIRCULATIONS - SOURCE OJD 2012

Ouest France	748 213
Le Figaro	321 101
Le Monde	292 062
Sud Ouest	288 370
L'Equipe Edition Générale	285 386
Le Parisien	284 196
La Voix du Nord	259 791

8 From this viewpoint, it is particularly interesting to point out that *France Soir* went exclusively online during the last stage of its life

For these reasons, publications in this Class remain highly dependent on traditional payment methods. These newspapers are therefore trying to generate new revenue, while preserving the old (or at least avoiding an increase in falling printed press revenues).

Compared to the traditional model, the originality of this Class online approach is reflected, first, in new forms of main content pricing and of marketing related services: time/quantity credit devices, online subscriptions supplemented by mobile and tablet offerings (Web +), sale of digital archives and offline consumption services.

Second, sponsored links funding, albeit also very relevant to Class 2 (64.7% of publications in this Class use that funding model) is the most prevalent strategy in the third Class: it is used by 98% of players. It is probably even more important for these titles, as it is a natural extension of traditional press- funding relying on advertising, both in the business model and, if necessary, probably in the organization of press advertising agencies.

This third class of business models is also characterized by strong interaction with readers via social networks; feedback commentary systems; and statistics on articles. However, readers' involvement does not necessarily include participating in the main content production process, which is often highly centralized. Thus, rare titles in this Class have readers' blogs or other forms of UGC. This is even one of the notable differences with Class 2. Finally, one important feature of this class of business model is its strong focus on personalizing offerings through RSS feed and customized browsing services. This result is all the more remarkable as over 60% of these industry players provide free customization services.

Number of customized RSS feeds	0	1- 11	12- 26	27- 45	More than 45
Class 1	85,07%	39,53%	30,00%	9,09%	0,00%
Class 2	4,48%	20,93%	15,00%	18,18%	0,00%
Class 3	10,45%	39,53%	55,00%	72,73%	100,00%

TABLE 2 CONTENT PERSONALIZATION: RSS FEED

	No customized browsing	Customized browsing
Class 1	65,98%	32,69%
Class 2	16,49%	1,92%
Class 3	17,53%	65,38%

TABLE 3 CONTENT CUSTOMIZATION: BROWSING

The proliferation of models or ways to make press contents available reflects systematic exploration strategies of alternative business models able to ensure sustainability and profitability in a new environment. This explains the countless steps of trial and error as well as the numerous strategy switches of content providers which try to test solutions online and find what, they hope, will be the "right" one. The cases of *Le Monde* or *Le Parisien* are quite symptomatic here. These newspapers' positions show the potential consequences such a choice may have on the publication's internal organization and editorial structuring: it is being forced to reconcile, around the multimedia, production objectives and methods that are sometimes poles apart. The "Exploring Leaders" class thus proves to be one where traditional media players are trying to develop their offerings by keeping up a wealth of editorialization and contents: major publications that launch resolutely on the internet to protect their leadership, and do not baulk at exploring different content configurations and types.

COMPARISON AND SPECIFICITY OF DIFFERENT BUSINESS MODELS

The weight of the paper press on digital format strategic choices is found, more generally, in the way its organization still hangs over the three online business models classes.

The title's institutional category (whether a newspaper, a magazine or a new entrant), the actor's presence in the traditional media, and publication frequency of the printed title (if any) are widely discriminating variables over all three classes, even though these
institutional variables precisely lose all their relevance online.

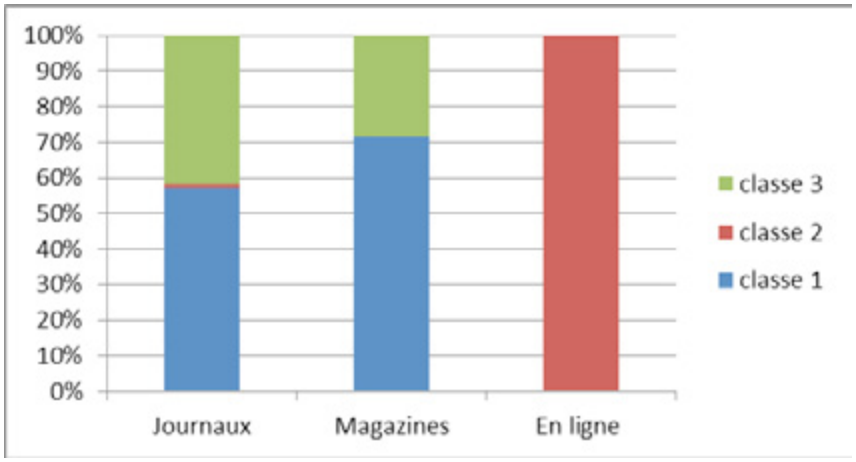
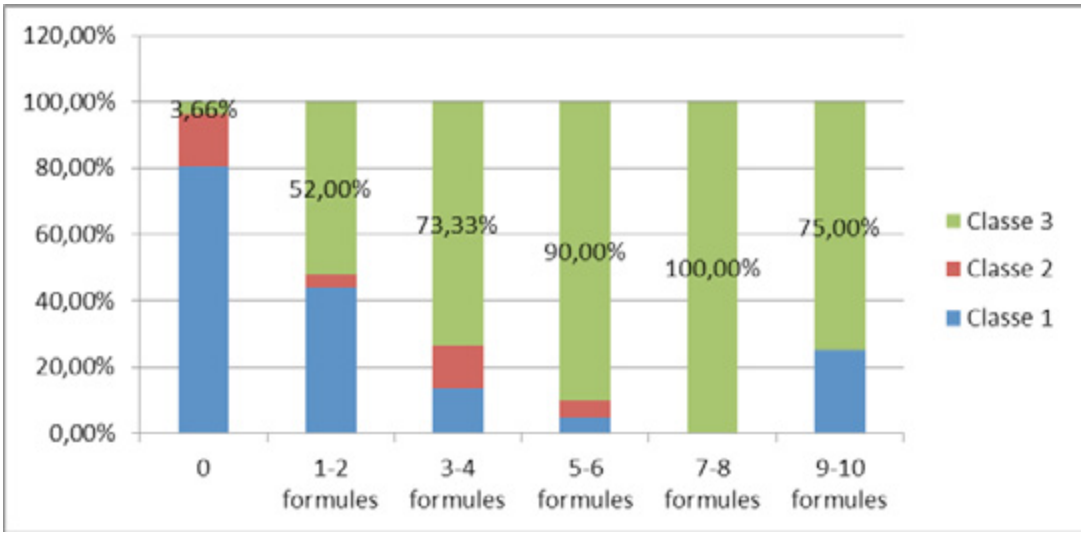


FIGURE 8 INSTITUTIONAL CATEGORIES (NEWSPAPERS / MAGAZINES / NEWS PRESS WEBSITES) OF ACTORS IN ALL THREE CLASSES

Conversely, characteristics such as geographical area of circulation or origins of information do not play any significant structural role: indeed, our sample includes 55% of national press titles and 45% of regional ones, which are evenly distributed between Class 1 (52% of national titles and 48% of regional ones) and Class 3 (45% and 55% respectively). This finding was made quite unexpectedly, as it might have been spontaneously gathered that structuring by genre (sports, local communities, geographical or cultural classifications) should instead have encouraged online exchanges modes that already existed in many online shared interests.

The variability in forms of online pricing and subscription plans offered to readers are another particularly striking parameter according to Classes. The graph below (Figure ...) clearly shows that Class 3 actors are the ones that offer their clients a wide range of online subscription options. It is important to stress that this offerings diversification strategy is no mere replication of the paper format pricing. For example, 64% of newspaper titles in Class 1, while offering a very limited number of online options, nevertheless propose diverse subscriptions to their printed versions. Finally, we note that Class 3 press titles have much higher average web and paper prices than in other classes.

TABLE 4: NUMBER OF VARIOUS SUBSCRIPTION PROPOSALS



	Class 1	Class 3
Lowest subscription price to paper format	76,77	265,13
Highest subscription price to paper format	101,98	310,90
Web, per unit price	0,74	1,50
Web/Web+ lowest subscription price	77,60	144,79
Web/Web+ highest subscription price	105,85	255,21

TABLE 5: AVERAGE PRICES (IN €)

FREE ONLINE OFFERINGS AND PROFITABILITY: OPPORTUNITIES AND SOURCES OF INNOVATION?

The results that have just been presented and the omnipresence of free information offerings on news press websites – regardless of Class – reflect the renewed importance of a free economy that feeds on the specific dimensions of digital formats: the importance of content on offer, the increasing variety of information, the proliferation of means of access and pricing modalities. More specifically, our study shows that, with the exception of a few cases[9], digitalizing presstitles often results in the arrival of free offerings, at least as far as some of their content is concerned.

But, if "free offerings" in the printed press can legitimately be deemed central to today's debate, it is not so much due to generalized news services gratuity as to the numerous, very different economic models that have been set up, each hinging upon very different forms of free offerings and seeking to reconcile e- free offerings and e- profitability.

9 The contents of a few exceptions, as embodied by *Mediapart*, *Minute*, *Présent* ou *Rivarol*, are exclusively reserved to subscribers.

The press is no exception, from this point of view, to the findings already made in other areas of a digital economy marked by the constant link between market and non- market sectors: in its inner workings as well as in actors' involvement. The current importance of the free offerings phenomenon cannot be understood without being reinstated in the context when the Internet was developed, rooted as it has always been, since its beginnings, in an exchange and cooperation culture (Flichy, 2001).

The relationship between free offerings and economic development is the driving force of all free web services based on hidden funding: infrastructures are subsidized by public authorities, capitalizations are not paid, content is free of charge and clients make voluntary contributions. They all can call themselves "free" – but who is it free for? Sellers or buyers? Exploring the press industry makes it possible to study this great variety of configurations. The cultural sector has been deeply "destabilized" by the proliferation of free content, since the terms of such offerings challenge traditional modes of producers', broadcasters' and writers' remunerations. The impact is all the greater as, for various reasons, this online offering also combines with the emergence of some radically new free offerings through traditional channels. In this respect, the emergence of the free printed press is the most emblematic. It had existed for a long time in press ads, but in the form of very low editorial content items within niche markets not directly competing with paid media. In contrast, a real departure from this occurred when (in 2002 in France) the *Métro* newspaper was launched, quickly followed by *20 Minutes*, in a similar – and competing – format to general information dailies.

The study we conducted on French online media has also enabled us to distinguish broad dominant free offerings models among the many free modalities identified in the literature (see, for ex., Anderson, 2009 or Shapiro and Varian, 1999). More specifically, we have identified four of them: advertising, bundling, freemium and participatory.

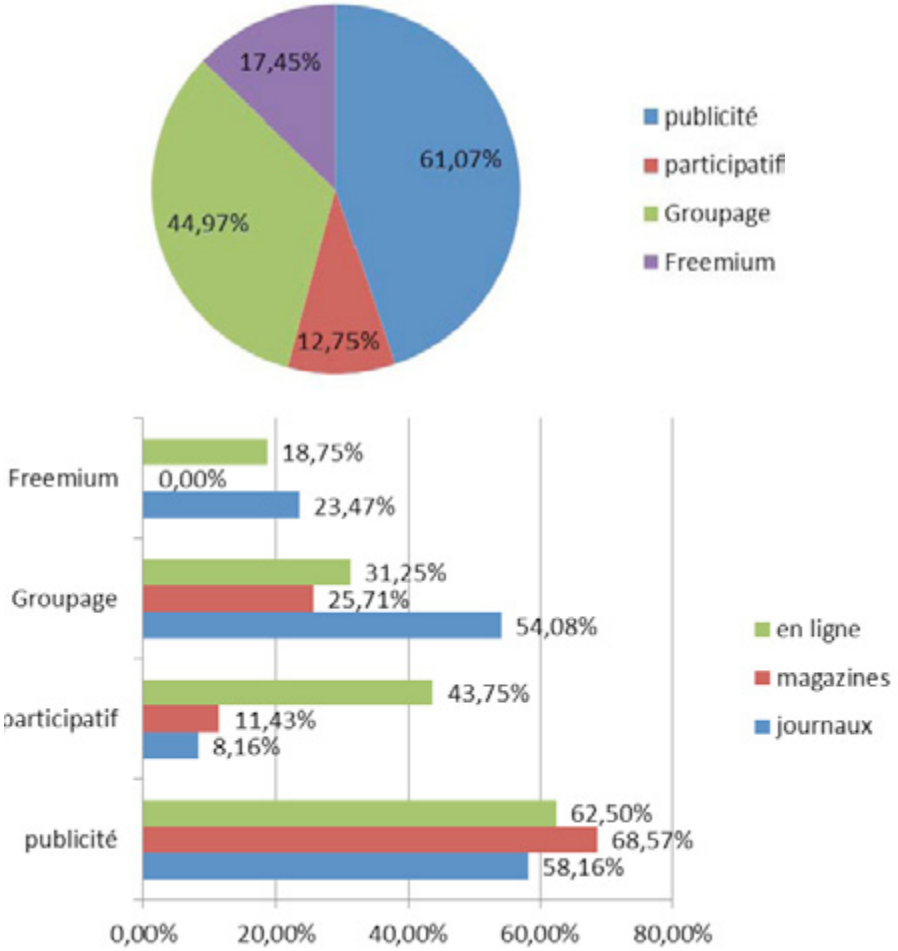


FIGURE 9. FOUR IDENTIFIED FREE OFFERING MODELS (ADVERTIZING / PARTICIPATORY / BUNDLING / FREEMIUM) IN THE ANALYSIS OF 149 PRESS TITLES

1. Advertising

This is probably one of the most famous and frequently mobilized terms in the media, and particularly so regarding radio and television. Its principle is based on making an audience valuable to third- party advertisers. Content provided free of charge is bound to attract viewers or listeners – who are potential consumers with more or less identifiable features according to the types of programs provided. The media can then sell advertising space to the relevant goods and services suppliers eager to promote their products with the target created that way. The weight of this model is largely reflected in online media where availability of free content has almost been systematically identified, in one form or another. To fund such content, actors turn to the traditional press channel: advertising. An additional reason, specific to the Internet, is also that going online allows for strong diversification of the advertising media itself (banners, sponsored links, pop- ups..), thus making it more or less readily acceptable by readers.
Several converging trends encourage press titles to move towards online advertising models providing a large proportion of free offerings:

1) The significant decline in printed paper sales and advertising revenues that were traditionally associated with them.

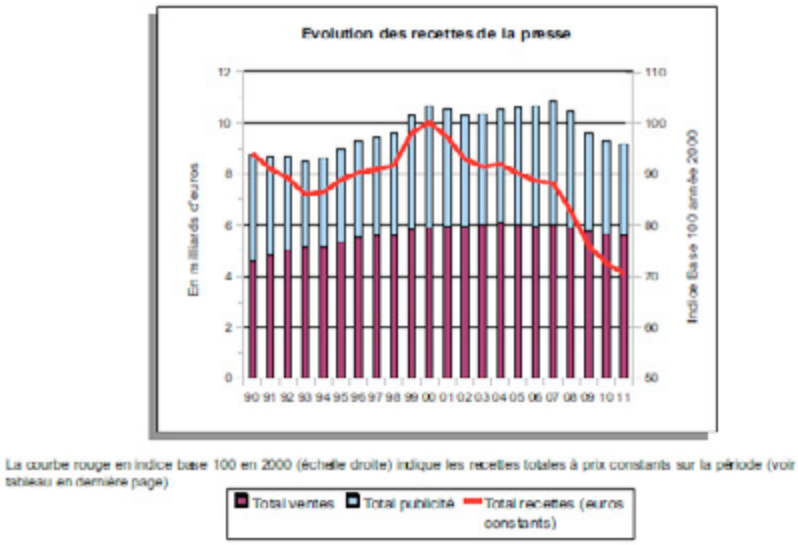


FIG 10. EVOLUTION OF PRESS REVENUES (TOTAL SALES / TOTAL ADVERTIZING / TOTAL REVENUE (IN CONSTANT EUROS) / IN M€/ BASE 100 INDEX (YEAR 2000) - SOURCE : HTTP://WWW.DGMIC.CULTURE.GOUV.FR
The red curve in base 100 index (scale on the right) indicates total revenue at constant prices over the period

2) The redistribution of advertisers' resources, leading to developing online advertizing and adverts, at the expense of traditional supports.

FIG.11 INTERNET ADVERTS IN MILLIONS OF EUROS (ADVERTS IN THE PRINTED PRESS / ADVERTS IN NEWS PRESS WEBSITES) MORE NUMEROUS IN 2011 THAN IN THE PRINTED PRESS

3) The fact that revenues from online sales have been so far unable to offset the squeeze associated with paper sales decline.

2. Bundling

In the bundling model, free offerings are possible since a product or service is provided free of charge: actually, consumers pay – but for another one. This model can even be found in the printed press, where newspaper sales result from the provision of virtually free thick week- end magazines or books, or then again DVDs. In online media, it could be considered either as a new way of building up an economically sustainable supply by means of free offerings (for example, marketing of goods and services that are not directly associated with the main contents of the title, such as the sale of books, comics, etc.) or as a way to use the information as a loss leader meant to market services with higher added value (for example, customization of the available content, free access to archives or offline use).

3. Freemium

In order to succeed, several online press sites have developed and tested a new method of valuation, often called the Freemium model – a term made up by combining the English words "Premium" (high quality content) and "Free". In these cases, only part of the site's offering is free of charge. Moreover, it is of lower quality (low cost content or of purposely poor technical quality) or content supply is limited (excerpts of contents, artificial limits on performance or access speed...). In fact, free offerings aim at getting consumers to go for high added value paying products, free offerings being used as loss leaders. This model corresponds to the classical approach media companies use when trying to promote online contents they have funded initially with printed press sales and for which they are striving to find additional resources online. Thus, the bundling model mainly differs from freemium in that it is an incentive model targetting the same consumer segments for its different offerings.

4. The participatory model

This model implies using a large number of internet users' creativity, intelligence and know- how. Online content is free, in exchange for consumers' contributions: they create value (improving service or generating information). For the press as for other cultural sectors, the problem does not lie so much in the choice of the economic valuation of generated content as in choosing a model that allows strong players' involvement and aggregation of good quality contributions.

5. What about illimited offerings?

An interesting observation is the role of another free offering model discussed in the literature – the package – regarding the online press. According to its definition, this model gets consumers to pay a lump sum payment for aggregate offerings. For their money, they get unlimited access, which may be perceived as "free"[10] because each consultation, listening and downloading no longer involves a transaction. Although this model has been, in recent years, largely popularized in other areas, it is rarely implemented in its "pure" form by the digital press. Here, as shown above, when it comes to online offerings, all or at least part of the content is published on the website, with a view to pointing to greater quality and enticing readers to pay for additional services or better content. In other words, regarding online media, this model is similar to those dubbed "bundling" or "freemium".

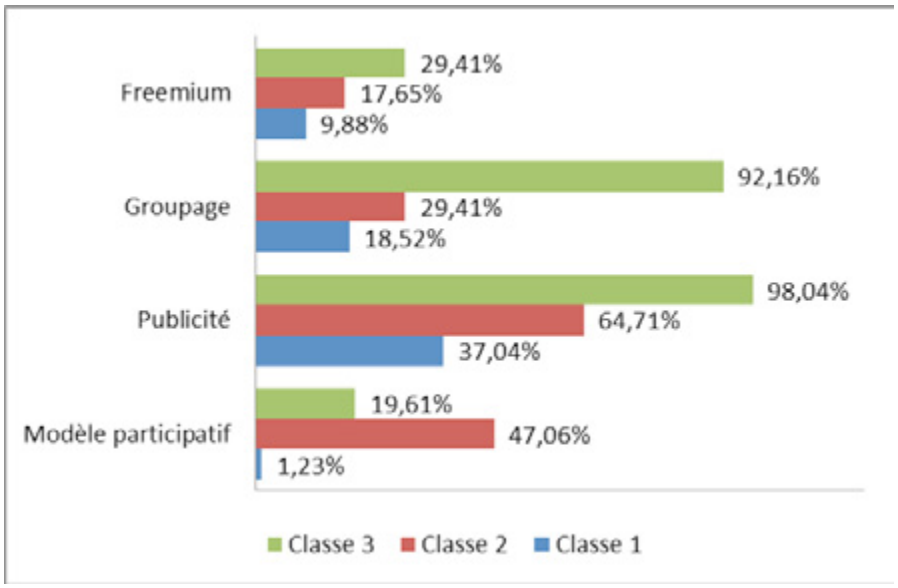


FIGURE 12. ALLOCATING FREE OFFERING MODELS TO THE THREE BUSINESS MODEL CLASSES, RESPECTIVELY

The four digital free offering models (advertising, bundling, freemium and participatory models) fit, in an unprecedented way, in the three classes of business models identified in our study. For example, third Class French press stakeholders ("Exploring leaders") favor Freemium models (web/web + subscription, time/quantity credits, per- unit sales, etc.); bundling (marketing higher added value services) and advertising. It is important to note that the free offerings funding model – via advertising – though shared by players in Classes 1 and 2 (37% and 65% respectively), is an integral part of the "Exploring Leaders" ' business models (98% of players in Class 3).

As for Class 2 ("Pure Players' business model") it is characterized by joining Bundling to the Participatory model, based on strong consumers' involvement in content production. However, bundling in Class 2 often departs from bundling as used in Class 3 "Exploring Leaders." Indeed, in Class 2 it is primarily a matter of marketing goods and services that are independent of the main offering (selling comics, dictionaries, books, etc.). Although our results show that the Participatory model is rarely combined with the Freemium one (readers get charged for main contents), the case of *Médiapart* shows that these two approaches are not incompatible.

10 I am merely reporting what users themselves say. During interviews, mobile phone subscribers would talk along these lines when pointing out they were more prepared to call their relatives and friends "because we have a phone package, so it's free for us".

Finally, the use of free online offering models in the first "*a minima* Digital" class is relatively small: only 37% of players resort to the most common model – Advertizing. In addition, more than 30% of press titles in that class are based on the free offering model that resembles the Freemium one (free offerings are supposed to lead consumers to paying for other products), but online content is financed exclusively by printed media sales.

These results show firstly that there is a multiplicity of free offering models in the press and that the advertizing model is not the only one actors resort to. Secondly, they enable us to conclude that the strategic choices determining the different types of free offerings, are related, at least in part, to press titles' positioning. This is explained by the fact that press stakeholders face difficulties of various kinds, depending on their positioning. For example, by targeting audiences, magazines have managed to preserve their circulation, but their commercial offering suffers from lack of reactivity (compared to other online content), which slows down their adaptation to new contexts. Dailies, given the fall in advertising revenues, seek online exploitation of content initially financed with printed paper sales and for which they are trying to find additional resources online. Finally, the new (almost) independent online media groups ("Pure Players") often suffer from inadequate revenues, because they are not supported by advertisers. They seek to diversify their activities and occupy new niches in the participatory and socially responsible media.

CONCLUSION

Such new configurations call for new means and strategies on the part of cultural industries stakeholders, if they are to reinforce their competitive positions. Competition between distributors or integrated structures, sometimes tends to operate to a lesser extent on the editorial project or on the choice of articles themselves than on business models and on ways to make content available to the general public. In such cases, strategies aim at capturing audiences, increasing growth and market share, even more than profitability.

A great number of sites defend and justify – do they not? – the relevance of their economic "model" by the number of their visitors, advertising campaigns, page views... not to mention the turnover or economic performance resulting from such audience performances. This leads ultimately to high opacity as regards prices and business profitability requirements, giving full weight today to the free offerings dynamics.

However, when free offering is available, it still operates in parallel with a form of revenue generation. The case of the press that we have just studied shows that, depending on circumstances, the use of free offering, however, corresponds to a very different valuation of the business and of productive organization resources. Free services may be provided to generate traffic, or to fuel supporting resources, or then again to expand and consolidate a market, or even as a match to subsidies. These different forms of free offering may be also combinedwith different payment methods (ex. selling information to third parties). This is also one of the limitations in our study: we have not managed to get, for each title, the actually generated income structure. This has indeed prevented us from presenting the more finely calibrated relative importance of models and their articulation methods.

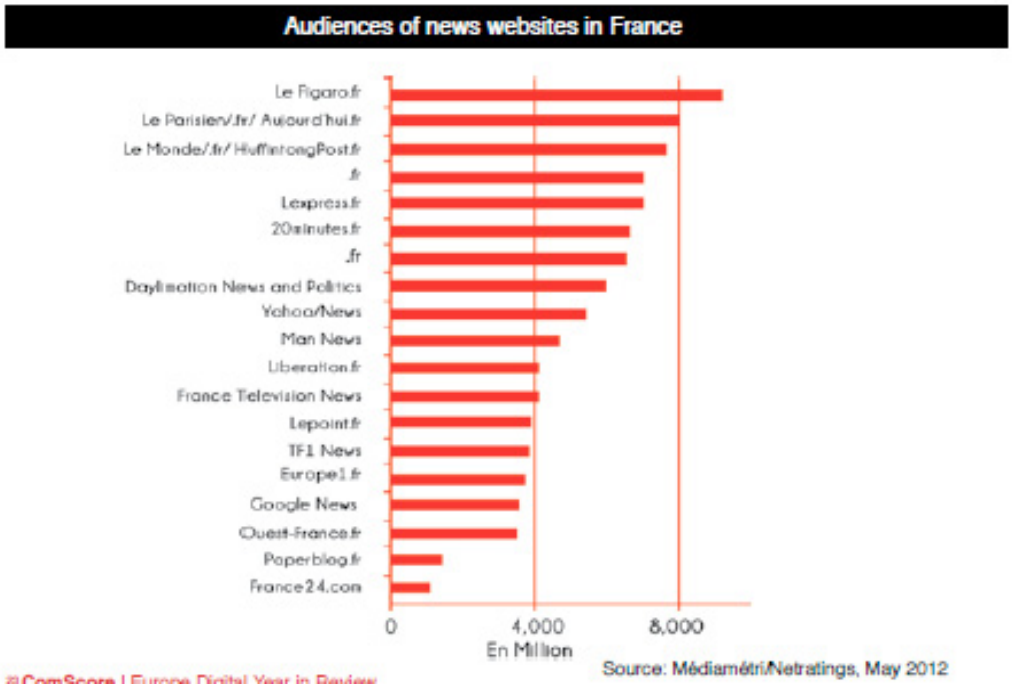
Behind a common word – free offering – the net economy actually hides very different dynamics: such variety is by no means a guarantee of the sustainability and viability of future e- free offering. Instead, it is probably a sign of great uncertainties in this sector. The time has come when e- free offering and e- profitability actually co- exist. Apart from predicting, in a suicidal "domino effect", a progressive generalization of free offering by all players in the value chain, the question now is to know when the market will stabilize and match, allowing for a few evolutions, conventional industrial economic models.

APPENDIX : LIST OF NEWSPAPER TITLES PER CLASS

Class 1: 81	Class 2: 17	Class 3: 51
Bretons	Le Post	Ouest France
LES INROCKUPTIBLES	France Soir	La Recherche
New Stars Mag	Le Parisien	Investir
PC Achat	Streetpress	Marianne
Top Vélo	Slate	Le Point
Bambi	Rue 89	Le Nouvel Observateur
Mes Premiers J'aime Lire	Quoi.Info	l'Express
Mickey Parade géant	Owni	Paris Match
Elle à Table	Newsring	Berry Républicain
Gala	Les Nouvelles News	l'Écho Républicain de Chartres
Magazine de l'Apel	Mediapart	Le journal du Centre
Pleine Vie	Jolpress	La Montagne
Notre Temps	France net infos	Le Populaire du Centre
Télé 2 Semaines	Arrêt sur images	la République du Centre
TV Grandes Chaines	Atlantico	Yonne Républicaine
Télé Loisirs	Agora Vox	Les Dernières Nouvelles d'Alsace
Télé Star	20 Minutes	l'Est Républicain
Télé 7 Jour (première)		Vosges Matin
Télé z		Sud Ouest
TV Magazine		La Voix du Nord
i commme info		La Dépêche du Midi
Version Fémina		La Provence
Centre Presse Aveyron semaine		Var Matin
La République des Pyrénées		Corse Matin
La Presse de la Manche		L'Indépendant
Le Courrier Cauchois		Midi Libre Semaine
La Dordogne Libre		Paris Normandie
Le Courrier- la- Gazette		La Nouvelle République des Pyrénées
Le Courrier de Fourmies - L'Observateur de l'Avesnois		Aujourd'hui en France
L'Observateur de l'Arrageois		l'Humanité
L'Observateur du Douaisis		La Croix

L'Observateur du Valenciennois		La Tribune
Thierache		Le Figaro
L'Observateur du Cambresis		Le Monde
Sambre la Frontière		Les Échos
Le Courrier de la Mayenne		Libération
Le Tarn Libre		L'Équipe
Le Courrier du Pays de Retz		Paris Turf
La Vie Corrézienne		Courrier International
La Presse d'Armor		Le Journal du Dimanche
L'Éclaireur de Gamaches		Politis
Eure Infos		Télérama
L'Échos- Le Régional d'Enghien		Femme Actuelle
L'Indépendant de l'Yonne		Dossier Familial
Les Infos - Pays de Ploermel		Journal de la Haute Marne
Le Démocrate Indépendant de Bergerac		La Manche Libre
Le Petit Quotidien		L'Essor Savoyard 73
Présent		L'Essor Savoyard 74
Bilto		Messager Thonon
Paris Courses		Le Pays Gessien
Tiercé Magazine		La Tribune Républicaine de Bellegarde
Week- End		
L'Actu		
Mon Quotidien		
Le Favori de la Presse		
Charlie Hebdo		
Informations Ouvrières		
Le Canard Enchainé		
http://www.lutte- ouvriere- journal.org/		
Tout Est à Nous		
Le Monde Libertaire		
Minute		
Rivarol		
Metro		
Direct Soir		

Direct Matin Plus		
Direct Nantes + Direct Strasbourg + Direct Toulouse		
Direct Lille Plus		
Direct Lyon Plus		
Direct Montpelier Plus		
Direct Marseille Plus		
Bordeaux 7		
L'Écho du Pas de Calais		
La Gazette de Côte d'Or		
La Gazette de l'Oignon + La Gazette du Lion + La Gazette du Ballon + Le Petit Messager		
Le Courrier s'blattel		
Le Criquet Magazine		
Métro Nice- Cannes		
Les Nouvelles d'Anjou		
6 Mois		
Revue XXI		



Excellent results of French newspapes on Facebook

Rank NEWSPAPERS	RATING	LIKERS 2012	LIKERS 2011	CIRCULATION 2012	CIRCULATION 2011
1. Washington Post	AAA	399.696	172.213	507.315	550.821 US
2. The New York Times	AAA	2.229.809	1.219.700	1.586.757	916.911 US
3. Bild	AA	766.842	132.463	2.846.837	3.040.731 DE
4. Le Parisien	AA	512.289	88.683	454.302	459.860 FR
5. Le Figaro	A	330.253	64.692	321.101	316.854 FR
6. Le Monde	A	359.834	157.504	292.765	286.348 FR
7. Marca	A	583.032	135.453	244.456	308.835 ES
8. The Guardian	A	408.080	76.152	217.190	261.116 UK
9. The Wall Street Journal	A	517.436	245.457	2.138.315	2.117.794 US
10. Abc	A	74.334	38.197	221.351	257.107 ES
11. Il Fatto Quotidiano	A	780.334	450.000	57.081	78.583 IT
12. La Stampa	A	42.976	13.072	245.511	285.348 IT
13. La Repubblica	A	1.055.709	323.863	392.663	459.280 IT
14. Libération	A	88.068	41.364	119.205	113.108 FR
15. USA Today	A	117.497	50.350	1.817.445	1.829.099 US
16. Corriere della Sera	A	706.375	255.999	451.877	497.808 IT
17. The Independent	B+	100.817	44.470	100.672	181.934 UK
18. El País	B+	142.280	84.158	365.117	391.602 ES
19. Financial Times	B+	381.119	153.672	339.381	381.658 UK
20. The Sun	B+	555.865	7.538	2.614.725	2.817.857 UK
21. La Gazzetta dello Sport	B+	612.347	132.507	257.825	332.978 IT
22. Chicago Tribune	B+	49.780	29.809	414.590	437.205 US
23. L'Equipe	B+	378.505	163.723	285.407	302.156 FR
24. Los Angeles Times	B+	249.328	53.034	616.575	605.244 US
25. Diario Público	B+	211.044	64.523	87.983	94.450 ES
26. Il Sole24ore	B+	138.881	70.944	266.749	268.419 IT
27. La voz de Galicia	B	30.050	15.865	91.131	103.112 ES
28. Journal Sud Ouest	B	29.157	18.682	288.370	293.072 FR
29. Les Echos	B	20.340	7.835	139.575	115.706 FR
30. The Dallas Morning News	B	19.158	5.395	405.349	404.951 US
31. Die Welt	B	25.218	10.401	250.078	351.433 DE
32. El Mundo	B	62.571	28.097	252.770	299.026 ES
33. El Periódico de Catalunya	B	38.750	14.323	139.374	167.804 ES
34. La Voix du Nord	B	54.967	22.179	259.791	265.173 FR
35. Journal Ouest France	B	15.896	6.645	748.213	757.115 FR
36. Frankfurter Allgemeine	B-	48.811	17.860	355.260	362.460 DE
37. Houston Chronicle	B-	14.354	8.377	384.007	364.837 US
38. L'Unità	B-	186.216	101.564	33.871	48.713 IT
39. The Telegraph	B-	74.552	15.064	575.373	626.416 UK
40. Le Progrès	B-	19.038	6.416	202.791	207.270 FR

Source: Study "Facebook top newspapers 2012" Innova et Bella, June 2012
* Focusing on European and US newspapers

FIG 13 : 10 FRENCH SITES RANK AMONG THE FIRST 40