

05.02.2024 – 15:00 Uhr

The Impact of Artificial Intelligence on the Willingness to Pay for Digital Newspaper Subscriptions - An Empirical Study of the German News Market

Hamburg (ots) -

The prominence of Artificial Intelligence (AI) is steadily increasing, and its influence extends to various domains, including journalism. Within the realm of news reporting, numerous concepts and strategies are emerging to harness the potential of AI.

However, readers are still very skeptical about the use of artificial intelligence in news media. Even more dramatic: they punish the use of AI with a massively lower Willingness to Pay. For example, the Willingness to Pay for online news drops by 30 percent when AI is used to research, process or create news.

Users also differentiate between the extent to which AI is used for news production. Depending on whether artificial intelligence is used merely as an aid or for the fully automated production of news and by whom the AI is operated, the willingness to pay even falls by up to 33% depending on the type of AI used.

This was determined by the "BSI Artificial Intelligence (AI) Think Tank" of the Brand Science Institute in a Germany-wide representative survey of 1,458 respondents. The effects of the use of AI on the willingness to pay for online news media from well-known German publishers such as Spiegel Plus, Welt Plus, F+ (Frankfurter Allgemeine), SZ+ (Süddeutsche Zeitung) and ZEIT Plus were investigated.

"For the first time, we have also researched how the input of different players who use AI - such as editors or prompt engineers - affects users' willingness to pay," says Dr. Nils Andres, founder and CEO of the Brand Science Institute and initiator of BSI AI.

Significantly lower Willingness to Pay for the use of AI

The survey found that 20 percent of respondents are generally willing to pay for online news. The average willingness to pay is 10.24 euros. This is significantly lower than the average market price of EUR 17.38 for a monthly digital news subscription.

Respondents who have paid for online news in the last twelve months are generally 15 percent more willing to pay.

Regardless of whether they are paying subscribers or consumers without a news subscription, the willingness to pay for news created using AI drops equally among all respondents.

Even their own experience with AI does not change this attitude: AI laypersons and AI experts show no differences in their willingness to pay.

For publishers, the use of AI represents a process innovation that can be used both to improve quality and reduce costs in the creation of journalistic content. For example, AI can be used to provide comprehensive data and trend analyses or more differentiated views and perspectives of big data evaluations. In addition, personalized content tailored to users could be provided that would be impossible for human editors to handle.

"However, the survey results show that these optimizations and quality improvements, which would be possible through AI, are not appreciated by the respondents through a higher willingness to pay," explains Dr. Nils Andres.

Opportunities and risks for publishers

It is not just readers who are concerned about the use of AI to produce news, but also journalists. In a position paper published in April 2023, the German Journalists' Association (DJV) calls for a careful and differentiated approach to artificial intelligence in journalism. It advocates a labeling obligation - possibly even enshrined in law - so that users can see which content has been created with the help of AI.

Even if this form of transparency and the significantly lower willingness of customers to pay for AI-generated content initially has a negative impact,

can nevertheless open up new revenue potential for publishers.

"For the first time, labeling would make differentiation possible. Readers could recognize which editorial content was created by humans and which was created with the help of AI. This would allow publishers to more strongly skim off the willingness to pay for editorial content explicitly created by editors in the upper price segment," says Dr. Nils Andres.

At the same time, publishers would have the opportunity for the first time to monetize the low Willingness to Pay in the lower price segment for content created using AI, which could not be skimmed off under previous cost and price structures.

"Through product and price differentiation, publishers could further increase the diversity of their media offerings and at the same time tap into new customer groups with a lower Willingness to Pay," explains Andres. With AI-generated content, publishers would have the opportunity to work in areas where offers were previously not possible for cost reasons and thus upsell to traditional portals such as T-Online or Google.

About the Brand Science Institute

The BSI Group, based in Hamburg, is an internationally active institute for market research and one of the leading marketing service providers in Europe. Founded by Dr. Nils Andres, who holds a doctorate in economics, it sees itself as a knowledge transformer between science and practice. It supports companies and agencies in the implementation of innovative brand research and advises medium-sized companies and corporations.

About the BSI Artificial Intelligence Think Tank

The BSI AI Think Tank brings together future-oriented marketing experts and developers who want to reshape the landscape of AI marketing. Their credo: that creativity, efficiency and performance are the cornerstones of successful AI-supported marketing strategies and campaigns.

Survey "The Impact of Artificial Intelligence on the Willingness to Pay for Digital Newspaper Subscriptions - An Empirical Study of the German News Market"

- Germany-wide representative survey
- 1,458 test subjects aged between 18 and 70 years
- Results report as PDF (<https://ots.de/IU8Yty>)
- All results in the overview: <https://ots.de/GXggm1>

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