



Content Monetization & Micropayments – the way ahead for publishers



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Passion for building stronger businesses

The phenomenon of content monetization has evoked a wide variety of reactions from the industry. It is seen as a solution that would help publishers rise out the stagnation the publishing industry especially the newspaper industry is witnessing. Leaders in the industry like Wall Street Journal, The Economist, The Financial Times and The New York Times have already implemented /plan to implement pay walls for their content. Consulting startups focused on helping monetizing content like Journalism Online PLC have claimed that they have around 600 strong clients who want to monetize their content.

Case in Point

The Financial Times success story has made other publishers also strongly consider content monetization. FT which uses a metered model allowing readers free access up to 3 visits then register, after 10 visits pay 15\$ a month, has seen circulation increasing. FT's online properties made money last year, and a significant number of consumers seem willing to pay for digital access. A 4% year-on-year rise in subscription revenues for FT.com and a 15 percent increase in digital subscribers, to 126,000 has helped aid FT's revenues. FT is looking to have micropayments for its daily and weekly digests.

Micropayment being the preferred option

With rising digital behavior of customers who have more control, more choices and seek differentiation, premium content with a robust content monetization model would hit pay dirt. *Consumers are willing to pay more for mobility, convenience, quality, availability on different consumption channels (mobile, e-readers, website etc.).* One setback of implementing pay walls will be the loss in "passing traffic" – like window shopper they are not regular readers. Companies are looking to provide premium content for the regular readers who are willing to pay reasonable amounts. This is where micropayment would carve a place for itself. While not being heavy on the pocket, it would continue to gather readers and retain them using the exclusive content.

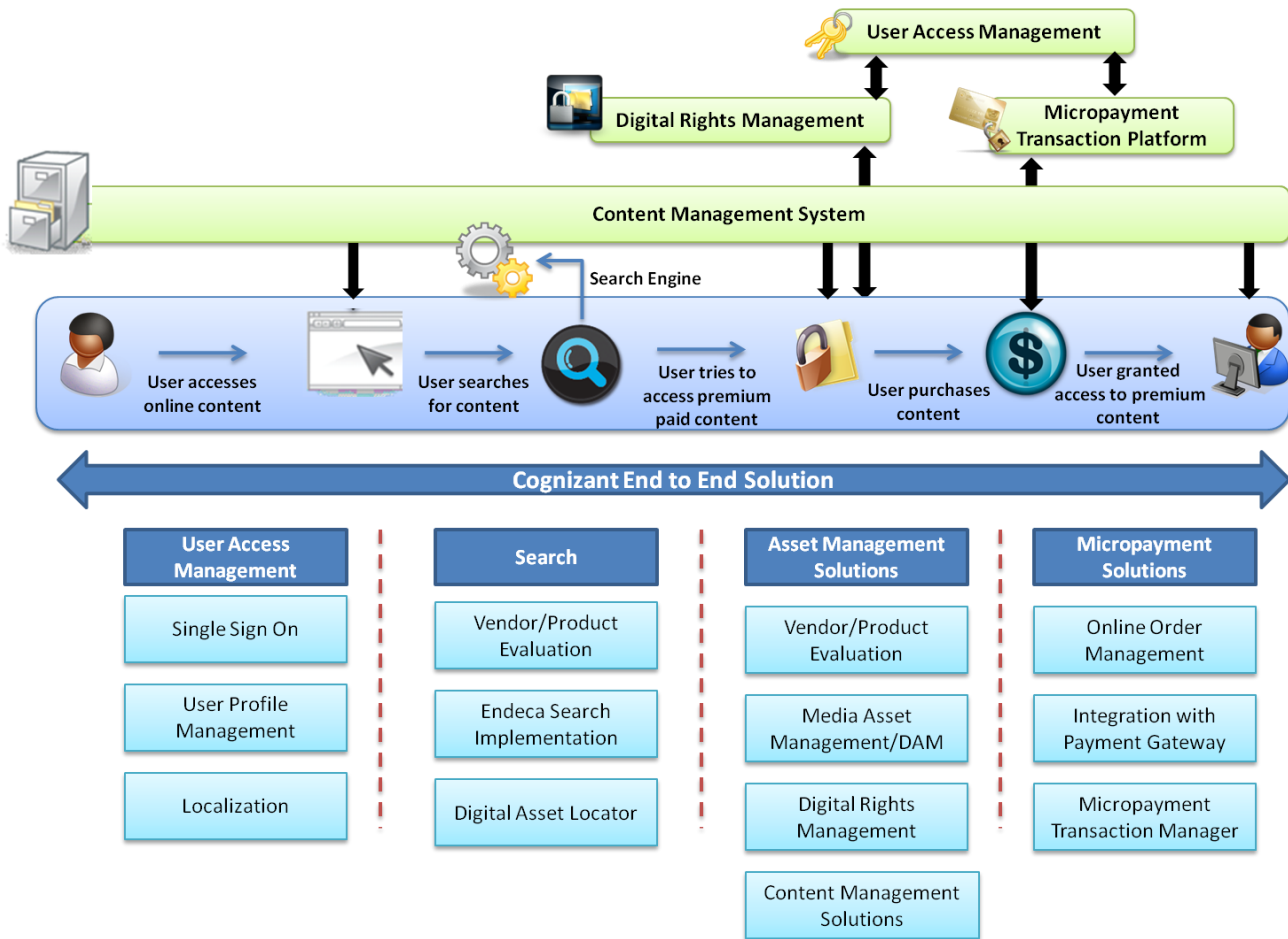
The following are some of the options that can be considered while implementing micropayments

- Each user will have access to both premium and free content
- Online advertising will continue to support free content
- Users can pay one time amount of \$x (very small amount) and debit any future transactions or pay per transaction basis
- Content providers will have to integrate print and online – i.e. if offline paid content has been paid for, then online should be available for free and vice versa
- Newspapers can use micropayments for providing niche content - Digests on a weekly basis available for subscription – should be available as per user's interest. These can be bundled with memberships to social networks, online discussion forums. Price differentiation can exist between off the rack and customized digests that can be supported by print-on-demand
- Integrating Micro Payments data with CRM systems to track user spend and behavior in order to provide loyalty points and special offers
- As micro payments generally apply for small-payments, it would be feasible to have crediting of amounts that will enable multiple transactions before they are charged for. For e.g. A user can transact 10 times before he is charged for the applicable amount

Cognizant Micropayment Framework

Cognizant envisages a framework for the micropayment implementation given its deep and varied expertise across media and technology. With strategic alliances and Cognizant’s expertise in other areas, we can create an End-to-End Solution for Enabling Micro Payments for content providers. Cognizant will function as a strategic partner to the client analyzing the client’s current IT systems and formulate a roadmap to help the client implement micropayments in their system.

Micropayment Solution Framework™



About the Information, Media & Entertainment (IME) Practice

Cognizant's extensive experience spans each of the industry's sub-segments – Information Services, Publishing, Advertising, Filmed Entertainment, Broadcasting and New Media. The practice works with leading Media and Entertainment companies on organization's business initiatives, from strategic consulting to application maintenance support. The IME practice is one of the fastest growing practices within Cognizant with over 4000 associates working for various client engagements and contributing over 7% of total revenues. Leading IME customers include Houghton Mifflin Harcourt, Harris Broadcasting, Rodale and many others. You can visit us at www.cognizant.com

About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services. Cognizant's single-minded passion is to dedicate our global technology and innovation know-how, our industry expertise and worldwide resources to working together with clients to make their businesses stronger. With over 50 global delivery centers and more than 78,400 employees as of December 31, 2009, we combine a unique onsite/offshore delivery model infused by a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in BusinessWeek's Hot Growth and Top 50 Performers listings. Visit us online at www.cognizant.com



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