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Strengthening Media Systems Activity (SMS)

DEMAND-SIDE STUDY
"Comprehensive Study of the Public's Media Needs and Behaviors in Serbia"

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Contents

Abstract:
Key Findings from the Media Demand-side Study for the SMS Project

The goal of the USAID Strengthening Media Systems (SMS) project is to improve the legislative, regulatory, and economic environment for Serbia's media. This goal was crafted to provide **Serbian citizens** with the information needed to enable them to effectively engage in **informed citizenship** and **hold their government accountable**. The program theory of change describes how programmatic inputs will lead to this goal:

> *If relationships within the media system are strengthened and the capacities of system actors are improved, the Serbian media system will be able to develop a more favorable enabling environment and adapt to the realities of the digital market, enabling diverse, objective, and professional news and information to survive and thrive in Serbia's media market.*

With this in mind, IREX worked with CeSID to produce this "Comprehensive Study of the Public's Media Needs and Behaviors in Serbia" ('Demand-side Study') to inform the work of SMS and enable its partners and beneficiaries to tailor their development in more targeted ways. SMS will use this study's datasets to provide its primary target group with programmatic solutions and tools for improving content quality and delivery, and monetizing it through various means, including paywalls, memberships and donations, as well as advertising sales.

The Strengthening Media Systems project recognizes that increased audience engagement, in terms of quality and quantity, is one of the key long-term strategies for financial sustainability of media. As such, audiences should be the most reliable and measurable capital of media outlets. Utilization of that capital in a wider array of possible digital revenue streams (from ad inventory sales and membership models to crowdfunding) should be the main vehicle for media business development.

Following these guidelines, this study was specfically intended to:

1. Provide comprehensive insight into the public's media consumption patterns, and its underlying causes: a) values; b) needs and interests, particularly regarding media content; c) motivation and aspirations, with specific emphasis on buying media content; d) financial functioning and attitudes towards different types of payment systems, etc. and
2. Provide comprehensive analysis and recommendations to inform the SMS programmatic approach in all aspects of media sustainability, as well as to inform organizational and business strategies and tactics of different types of media outlets on the local, regional and national levels.

The research implemented in 2019 combined a variety of methods (both quantitative and qualitative) and techniques (a face-to-face-survey and computer-assisted web interviewing, or CAWI), and targeted a number of groups – a representative sample of 1500 respondents age 15 to 65 for the face-to-face survey, a sample of 100 daily internet users for web interviews, and 96 internet and local media users aged 15 to 65 for the 12 focus group discussions in Belgrade, Niš, Kragujevac, Novi Sad, Sombor, Loznica, and Zaječar.

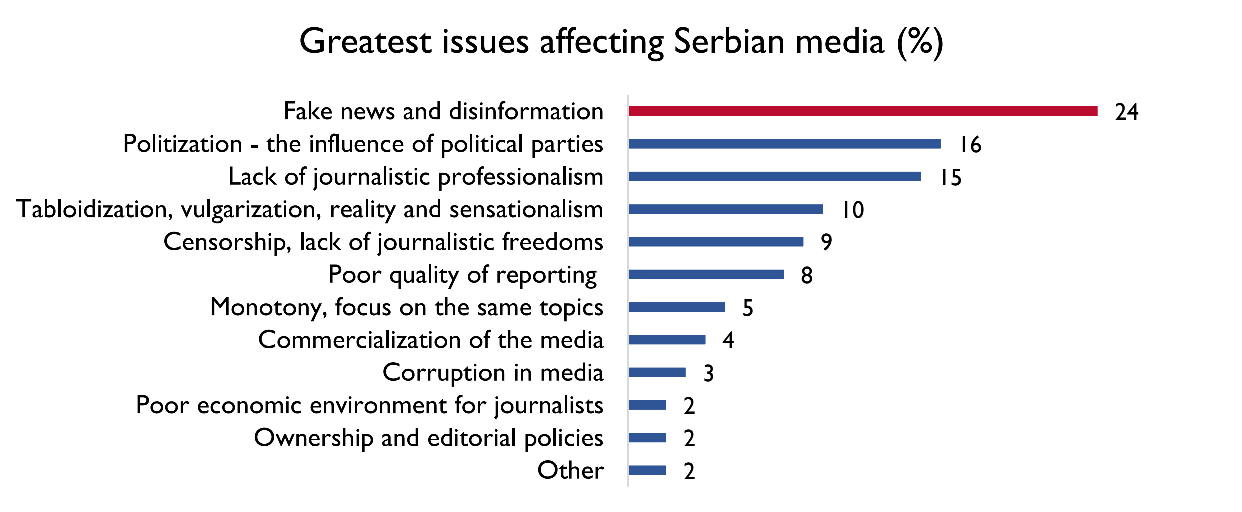
The key aim of the research was to gain an in-depth understanding of the needs, habits, and expectations of the audience, in order to facilitate rational and informed discussion about the media sector and public attitudes; and strategic decision-making by media businesses, with the starting assumption that understanding audience needs and profiling target groups constitutes integral parts of any media business strategy in terms of both preparing and formatting media content. Thus, the Study was structured to facilitate the achievement of SMS objectives and to provide directions for SMS strategic and operational

interventions in the following areas: **1. Content production and editorial policy, 2. Content sources and formats, 3. Interaction and community involvement, and 4. Financial sustainability.**

1. Content production and editorial policy

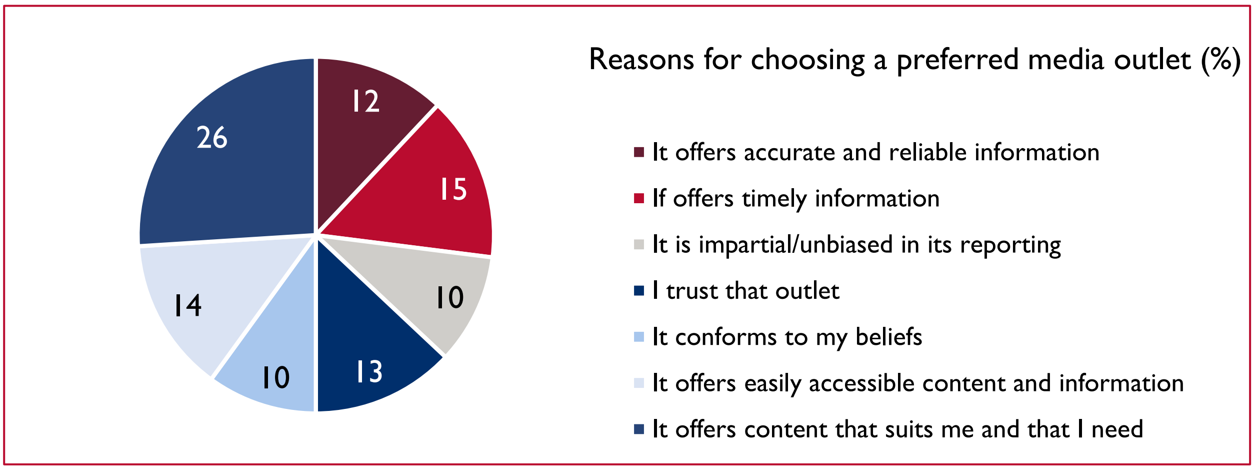
1.1. In aggregate, 28% of all respondents were dissatisfied with the performance of journalists, with 15% citing insufficient professionalism, 8% reporting poor quality features, and 5% complaining about monotonous content. According to the findings, other problems are 'fake news' and misinformation (as reported by 24% of those polled) and the influence of political parties (16%). Also ranked highly are the increasing presence of 'tabloid' or 'vulgar' content (10%) and the lack of media freedom (9%).

SMS has been providing comprehensive tailor-made support to online media outlets in Serbia and at least 25 will be supported in the Year 3. In our project approach, quality content production is seen as a sine qua non of media long-term sustainability and the growth of the media sector in general.



1.2. Regarding specific reasons for the selection of a preferred media outlet, content is the key factor in selection, as reported by 26% of those polled. Local topics that they reported preferring are sporting events and local cultural events. The other reasons are distributed rather evenly, meaning that editorial policy should take them all into account. The primary factors are: timely information (15%), easily accessible content (15%), trust in the media outlet (13%), and accurate and reliable information (12%). The SMS project also recognizes that many of the participants in the study hail from localities where no engaging local media sources are available, so their reported preferences may also reflect a lack of understanding or vision for what local media outlets can or could offer.

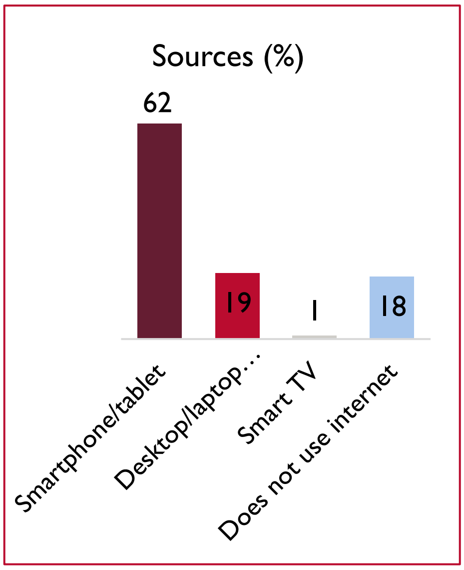
SMS work with editors and journalists will enhance media outlets' capacity to produce mainstream content that combines regional coverage (issues of regional importance) with topics close to the local community, such as (as revealed by this research) local public services and utilities, weather, local culture, local entertainment and heritage, and local security.

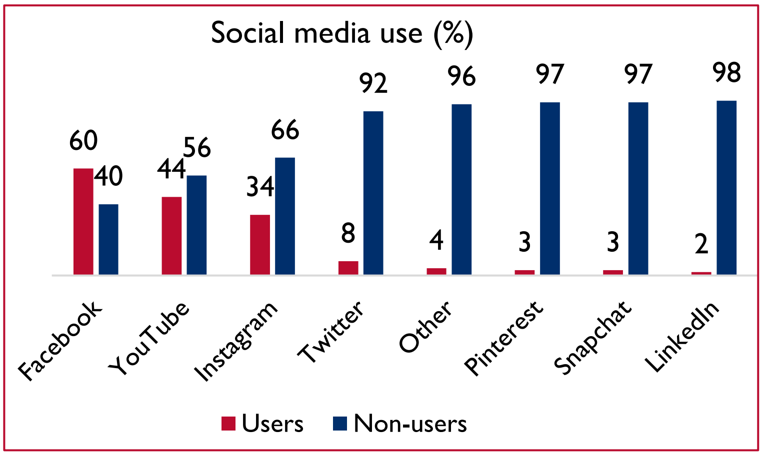


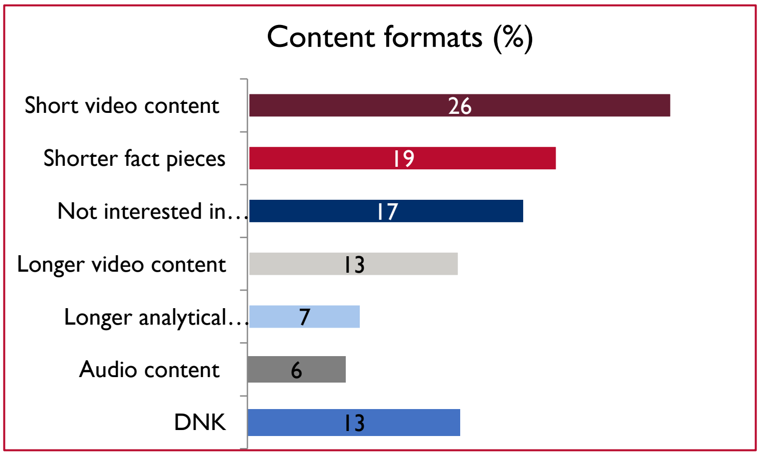
2. Content sources and formats

Respondents generally go online on their mobile phones or tablets, as reported by a significant majority (62%), as opposed to 19% who do so on their desktop computers.

Facebook is used by 60% of the population, YouTube by 44%, and Instagram by 34%. Twitter is used by only 8% of population but is perceived as an important network in Serbia because of the user structure - Twitter is a network used by a large number of decision-makers.







When it comes to online media, the respondents insisted on appropriate and timely coverage of emerging news and well-designed and accessible web sites where all relevant content is only a click away, and at the same time, they prefer short video content and short text formats.

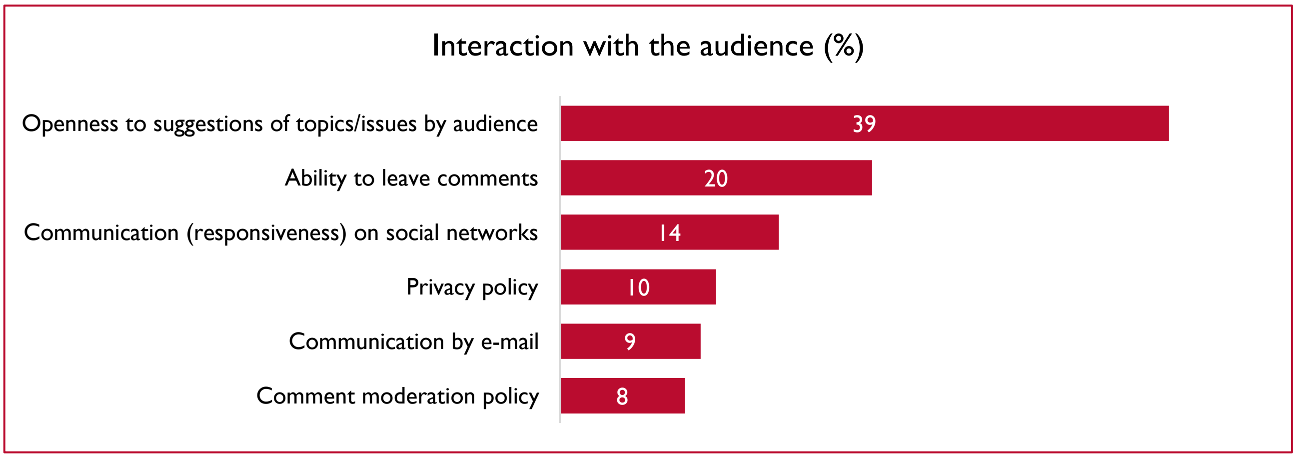
SMS will provide support to a number of online media in mobile optimization in order to successfully reach new target groups/audience. In addition, since a major share of the audiences uses several media at the same time, assistance in adapting formats to shorter attention spans will be provided to online media.

Additional support will be provided in developing effective communication strategies and social media outreach, as well as well-targeted content format development and use. Support will be provided to the local media for developing applications, platforms, or notification system to serve as guides to content for audiences at the local or regional level (power cuts, road closures, traffic information, concerts, cultural events, etc.).

3. Interaction and community involvement

SMS will assess its beneficiaries' capabilities and resources for two-way communication with audiences as the first step in establishing stronger mechanisms for interaction with audiences. In addition, SMS will prioritize the issue of community engagement in its Year 3 approach. For example, SMS will support media in cooperation with civil society and local activists to develop local initiatives that engage media in local gatherings and events, rather than simply providing information 'from a distance'.

Allowing audience members to propose topics or contribute to content creation matters most in a community or local media outlet (39%). The Study shows that media must be open to the public and provide opportunities to suggest topics or in other ways contribute to stories (as reported by nearly two-fifths of those polled). The findings reveal that 57% of respondents agree that local media is important to provide essential public interest information to residents and that many embrace local patriotism, a strong feeling of being connected to their local community and affinity with their fellow local residents and community values.

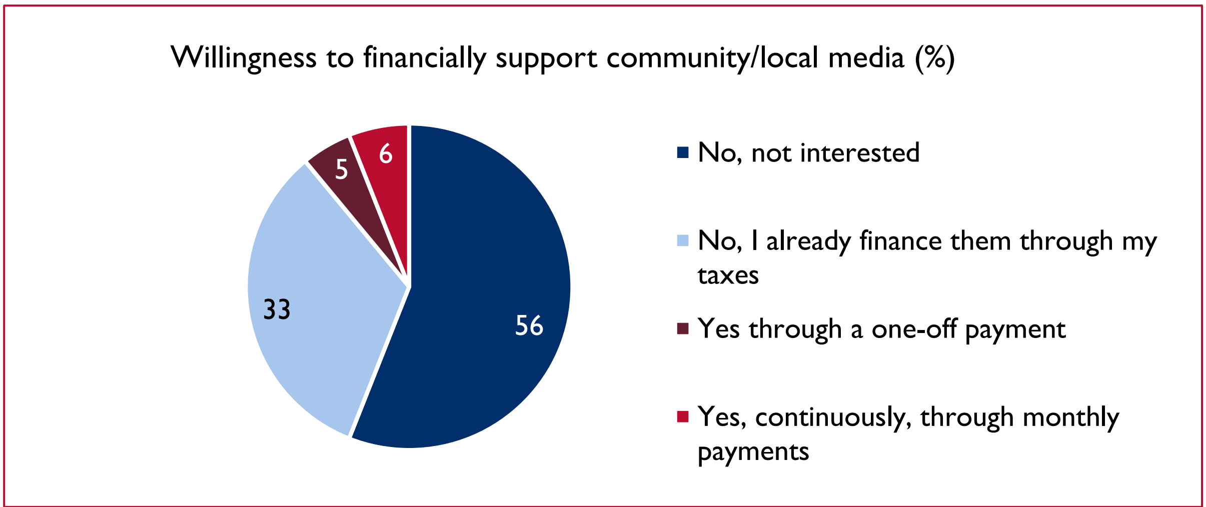


4. Financial sustainability

4.1. On average, respondents were ready to set aside up to 745 dinars per month for local media in their city or municipality. Most of those polled preferred making donations (as reported by 44%), followed by subscription (39%), and, finally, payment for particular content or information (16%). One in 11 respondents indicated a willingness to make a one-time payment in support of a media outlet facing financial difficulties in their locality.

SMS will continue supporting media to deploy various forms of e-payment solutions (subscription, membership, crowdfunding, etc.), as this has proven effective in both community involvement and providing for partial financial sustainability (Examples: Danas and Independent Journalists' Association of Vojvodina, both of which have launched successful online monetization campaigns with SMS support).
In addition, SMS will develop and support a "Free media is not free" campaign to raise awareness among the Serbian population of the need for providing direct financial support to the independent (local, online) media they rely on for reliable and diverse information.

These numbers are more promising for the SMS project and its partners than they may appear at first glance, as it tracks with global trends (a culture of paying for content generally starts with a small contingent of audience members that recognize the need for independent voices in a chaotic market) and reveals that a not insignificant segment of the population is willing to contribute a significant sum on a monthly basis *if* media are responsive to needs and reliable. The piloting of various online monetization approaches with SMS partners has also shown that if a media outlet is valued (reflecting preferences outlined- in 1.2 above), dedicated readers will begin to donate or subscribe, even in an environment like Serbia where online payment mechanisms are not yet fully mainstreamed (The Danas online edition secured nearly 400 paid memberships in less than a month after introducing online payment mechanisms, and the Independent Journalists Association of Vojvodina collected over $2500 through its crowdfunding campaign—these are significant sums for relatively small operations).



Perspective on the Media: Change is the only certainty

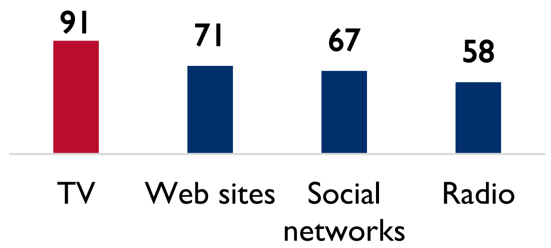
Given that perpetual change is the only constant in media audience behavior, it is of paramount importance to understand the direction of those changes, to identify audience expectations and preferences, and to find paths, opportunities and space for longer-term media sustainability. Media sustainability enables the survival of media, secures sources of income for journalists and employees, and ensures that entire communities can count on secure, credible and independent media.

The USAID Strengthening Media System project recognizes that increased audience engagement, in terms of quality and quantity, is one of the key long-term strategies for financial sustainability of media, as audiences should be the most reliable and measurable capital of media outlets. Utilization of that capital in a wider array of possible digital revenue streams (from ad inventory sales and membership models to crowdfunding) should be the main vehicle for media business development.

Slow but certain departure from tradition

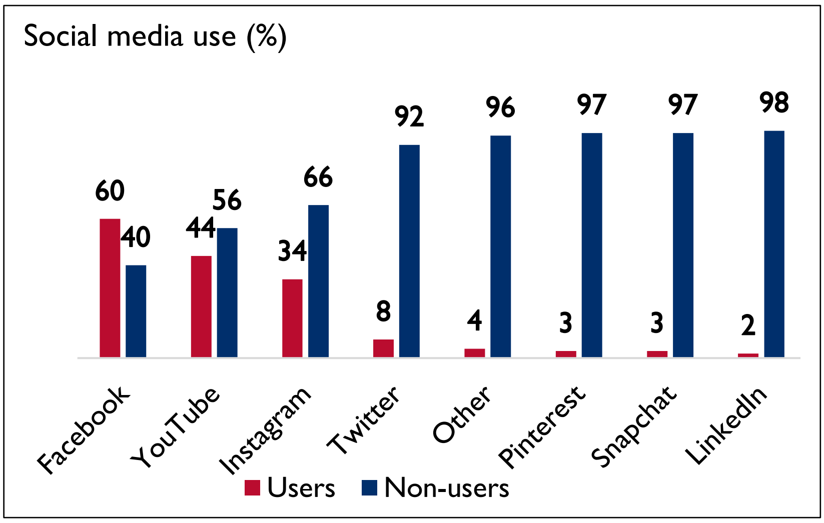
Serbia's media audiences are taking small but steady steps towards integration into the digital world, despite the fact that this path is neither fast nor easy, in terms of reach or investments. The reasons behind this slow growth trend lie in the stability of television as the dominant medium in Serbia, the slow adjustment of the media and other media market actors to a digital environment, an unfavorable demographic structure and decelerated internet penetration growth. However, these reasons are complicated by broad reticence of Serbian citizens to engage extensively with the internet: at present, online shopping and commerce is still nascent (64% of Serbians surveyed in this study have not bought anything online in the last year) combined with an even more modest use of contemporary online payment methods (the average citizen may order products via the internet but typically pays directly on delivery).

Daily media consumption (%)



Internet growth and the related rise of online and social media have had a dramatic impact on legacy print and broadcast news media, as can be seen most directly from the drop in print media circulation, and from the fact that only 15% of respondents to this survey reads printed editions four or more days per week. However, the press maintains its impact by defining the agenda and selecting topics. Radio has survived and outlived dark forecasts, but it has evolved into a medium focused on entertainment, music and relaxation almost exclusively. Globally, podcasts are on the rise, but in Serbia, their significance is currently minor, except among a subset of the younger generation. Combined with better online platforms, and especially at the local level, radio could represent an important media outlet in the future, as well. *(*See chapters 3.1 and 4.1.).*

While social networks show downward trends (especially Facebook) globally, with messaging apps such as WhatsApp on the rise, Serbian audiences seem to be showing social media networks durable loyalty, especially in migrations towards Instagram (which is the network of the younger generation). Internet users in our seven-day panel spent 156 minutes per day on the internet, of which more than half of the time (90 minutes) was spent on social networks. Moreover, the share of women using such networks shows a major potential for creating content directed at them. In keeping with broad global trends, two out of three of the respondents to our survey indicate that they access the internet via mobile phones or tablets. *(See chapters 4.1. and 4.2.6.)*

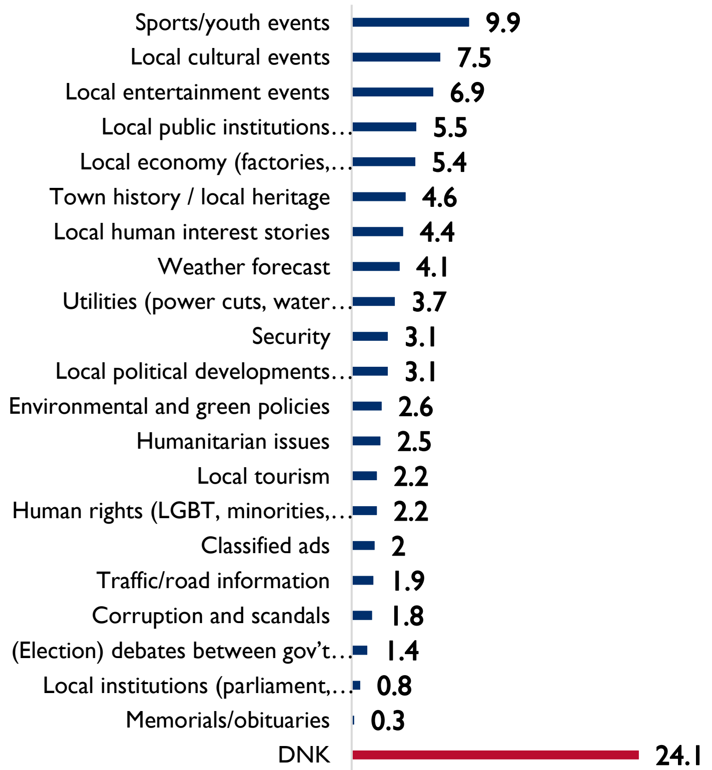


It is not easy to manage media in Serbia, and it is even harder to manage local media

Where, in all this, are the community-based or local media? First of all, audiences recognize bias in local media, which has led to some citizens losing hope that an objective media outlet could ever even appear. Therefore, some thought needs to be given to the context in which the majority of the local media function – in small markets, with extremely limited advertising revenue potential, and in specific ecosystems. However, this survey has also shown that citizens keep up with local topics on local media and that strictly local topics can come to the forefront very quickly – service, culture, entertainment information and social themes (history, life, human interest stories), while at the bottom of the list, but still with a high level of interest (about one-third of those surveyed), is politically-oriented content. Focus group participants in all cities reported that citizens at the local level require more impartial information about their current economic situation, prospects for the future, and employment opportunities in their cities, towns, and regions.

When creating content at the local level, it helps that citizens feel a strong sense of belonging to their local communities and feel a sort of local patriotism. However, the survey looked at the link between belonging to a local community and preparedness to pay for content and failed to find a pronounced statistical correlation. On the other hand, citizens still express caution when it comes to local stakeholders who fight for their interests, reporting that they mistrust them. When they mention individual stakeholders, however, there is evidence of an expectation to have numerous political and civil stakeholders, as well as local institutions, fighting for the interests of citizens. *(See chapters 4.2.4. and 4.2.5.)*

Topic of greatest interest respondents would like to see covered by community/local media (%)



Constancy of change and adaptation are the future

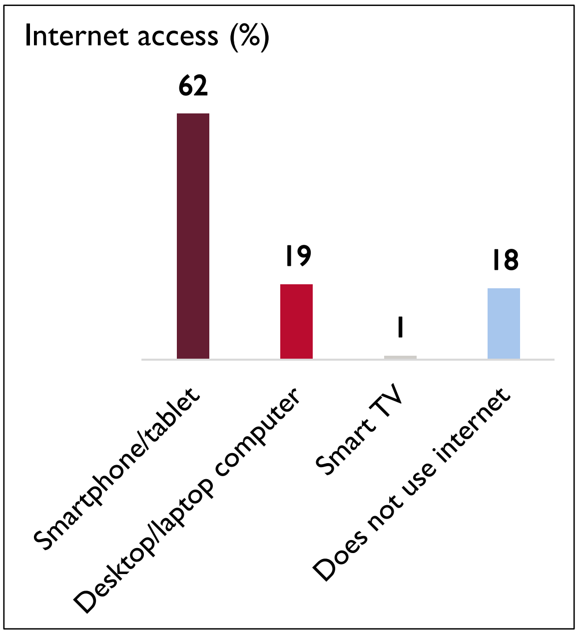
How, then, can audiences be reached? While this is a common question, it can be misleading. *The right question is: do we understand the audience and its evolving nature?* For the most part, gone are the days when there were frequent common moments, happenings and content that were eagerly awaited and consumed as a mass event. These are rare occurrences today (such as the World Cup Final, Eurovision and similar events), and news and information producers must respect the fact that focused attention is a thing of the past and that specific niches must be found for new content. These niche audiences function as small communities: they are internet-oriented and function based on content sharing, with specific topics, interests and interactions. As a result, media businesses must start from the understanding that citizens have massive choices today, that information is largely available and free to them and that when they do pay for content, they prefer premium content that can be expensive.

Focus group findings reveal a shared understanding that local media are highly important to the community, a feeling particularly strong outside Belgrade.

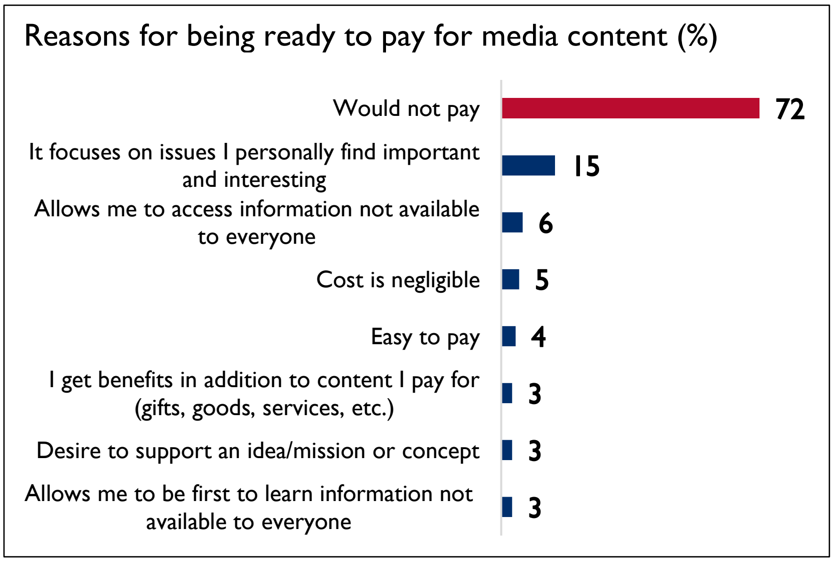
Community and local media must note that they cannot go it alone and that, with an audience of several tens of thousands of citizens, it is important for them to be open to cooperation with other media, or to shift their focus from the local level to include broader regional issues and concerns. This shift can better position their revenue streams, as larger audiences typically have a better potential for attracting advertisers. They need to re-position themselves as gathering points for their local communities, and that they provide a common platform for local initiatives, and that they are not solely a channel for information.

Political polarization and mistrust that stem from media bias suggest that approaches to political content must be carefully and well thought-out to avoid the trap of "taking sides" and, thus, undermining audience confidence Dynamic changes in lifestyle and consumption patterns--as well as the availability of other content (cultural, entertainment, sports) in the larger information ecosystem--demand clarity of presentation and precise timing, as well as investments in formats or platforms that can help citizens navigate their daily lives (for example, information on electricity, water supply, utility supply disruptions, traffic conditions etc.). In addition, the survey showed that a major share of the audience uses several media at the same time. As a result, formats must be adapted to decreased attention spans, and content must be released at the right time, especially if the media outlet has several different platforms. *(See chapters 4.2.4. and 4.3.)*

Additionally, Millennials and Gen Zs have already developed quite different media consumption habits, and media need to prepare for the generations that come after Baby boomers and Gen X. Therefore, online media outlets must be innovative, show their unique value, and must offer new formats (e.g. shows via Facebook Live, Instagram stories, Google talk, etc.). Finally, media outlets cannot remain walled off from audiences, and must include their interests in the selection and creation of content.



Audiences' ability and willingness to pay for content, thus creating another potential income stream for media, is extremely important. This survey dealt, in large part, with whether paying for content was a realistic option. Given our findings, it is clear that the first step is not - and must not be - media insistence on payment for media content. There are several reasons for this: 1) information availability; 2) weak economic and financial status of the audience; 3) insufficiently developed media market; and, 4) complexity of the entire process which includes dedicated, long-term work with the audience. In short, *it is not yet time to insist on payment for media content, but it is the right time to take the first steps in that longer-term process.*



Globally speaking, the first trends in online subscription growth, donations, and various memberships are emerging. However, it is too early to judge whether this is a permanent development or whether it is a positive trend achieved in highly developed countries (such as the US, the UK, and Spain) where media have invested a great deal of knowledge and money to achieve these results in recent years. In contrast, in Serbia, 6% of this survey's respondents have paid for media content online in the past, excluding cable TV packages. However, we must not forget that even the basic cable package is a considerable expenditure for many citizens. In addition, many see the subscription/tax for public media services as paying for content. Given this background, audiences need a very compelling reason to pay even a small additional amount for content. It is, therefore, unsurprising that most respondents indicated that they would be prepared to pay with only modest amounts for media content (500 dinars per month, approximately $5).

This survey also shows that several important steps must be taken before charging for content:

- Change and adapt formats (as discussed above),
- Transform professional habits and adapt them to the digital age: this survey showed that the majority of criticisms of work of the news media are aimed at journalists' poor performance and uninteresting content,
- Understand audiences by stepping outside of traditional frameworks and methods, and
- Carefully develop campaigns that are directed at the audience.

Thus, it is better as a first step to focus initially on how the news media operates, their professional standards (both in terms of quality and ethics) and strengthening their capacities. A second step could include organizing campaigns (for audience participation, awareness raising and significance of supporting the media) and launching small, creative and innovative crowdfunding and fundraising events or campaigns. The third step can be initiating subscription-based models, which can be introduced once there is content that the audiences are consuming and in which they are emotionally invested. By allowing this interaction between the audience and content, we anticipate that interest and willingness to pay for content through a subscription model will be strengthened; at present, only 16% of respondents said that they would pay a subscription for the content they consume if it were introduced at some point. *Finally, our survey shows that fundraising campaigns inviting audiences to support media should target employed, middle-aged (30-49) and younger, urban, highly educated populations; be premised on creating more specific content; and be built on incremental steps to monetization. (See chapters 4.3. and 6.2.)*

The survey showed that the voyage to ensuring a sustainable future for diverse media is more of a marathon than a sprint, that preparedness for change and commitment are expected, and that constant investments into quality content is necessary. The process of involving audiences in media sustainability is, in short, one in which media will have to invest to see the first significant results.

1. Key findings and recommendations: an overview

Introductory notes

This study is the result of wide-ranging and cross-cutting research carried out by CeSID in co-operation with the USAID Strengthening Media Systems (SMS) project, implemented by IREX. Three surveys were performed: a face-to-face survey of 1,500 respondents; a seven-day survey of a sample of 100 online media users; and a qualitative survey with 12 focus groups. The target group was aged 15 to 65. The key aim of the research was to gain an in-depth understanding of the needs, habits, and expectations of the audience so as to facilitate rational and informed (1) discussion about the media sector, the upcoming changes to it, and public attitudes; and (2) strategic decision-making by media businesses.

Key findings

With major changes occurring at the global level, some trends that had initially made only a tentative appearance are now rapidly gaining in importance. Today, over-the-top (OTT) television - consuming television via streaming live - is a major segment (for instance, US consumers will view an average of 18.9 hours of OTT TV content by 2020), as are all video segments, with so-called ‘snack ads’, blockchain, chatbots, and visual search becoming significant trends worldwide for this and the coming year. For users, social networks are declining in importance, with a parallel rise in apps, especially those able to guarantee security. Video consumption is on the increase, as is internet access via mobile phones; ad blockers are becoming increasingly common and podcast use is growing. Producers are endeavoring to monetize their content in various ways, as advertising revenue is not sufficient for media sustainability, and these efforts are set to mark the coming years. Subscription-only services are growing (especially in the US), but it is too early to tell whether this is a trend, while donation and membership fee models are common in the UK and Spain.

Turning to national trends, television has retained its dominance in Serbia (with terrestrial channels being especially influential), while internet media have been growing slowly but steadily. The media market is still far below its 2008 peak value of more than 200 million euros net. The market is saturated, with a large number of actors, but vertical and horizontal audience concentration trends have been persisting. Some global trends have been filtering into Serbia, such as Netflix, ‘snack ads”, and blockchain (at the beginning of 2018, the Serbian Blockchain Initiative was established). The poor economic situation, access to free information, and lack of online payment habits have all narrowed the scope for content monetization in the near future.

The key issues with the media as perceived by the Serbian public are poor content/poor journalism (28% in aggregate), which can be broken down into a number of aspects: lack of professionalism, dull content, and fake news and misinformation (26%). Mistrust of the media is widespread, with the public particularly wary of television, while young people generally do not associate news and current affairs content with the internet, resulting in somewhat higher confidence. Respondents spend most of their time (in hours) watching television (3.02), followed by listening to the radio (2.74), and using social networks (2.38) and web sites (2.02). Two fifths of those polled (41%) reported reading print editions of newspapers, while as few as 15% were identified as ‘hardcore’ users who read print editions of dailies four or more times per week. Television remains the most influential medium, but the internet is growing in importance, particularly with young people, and especially because it allows users to select content and combine multiple sources. Radio is managing to keep up with other media, albeit with dwindling budgets and by focusing on music and entertainment only. Respondents generally go online on their mobile phones or tablets, as reported by a significant 62%, as opposed to 19% who do so on their desktop computers. Facebook is used by 60% of the population, YouTube by 44%, and Instagram by 34%. Twitter is used by 8% of population and it is perceived as an important network in Serbia, not because of the large number of users, but because of the user structure - Twitter is a network used by a large number of decision-makers.

When it comes to online media, the respondents insisted on appropriate and timely coverage of emerging news and having well-designed and accessible web sites where all relevant content is only a click away. The respondents reported being aware of the media carrying misleading content ('fake news', spin, propaganda, and misinformation), and large numbers proved able to recognize it: most of those polled could identify propaganda (69%) and spin (62), with percentages also high for 'fake news' and misinformation (with 63% of all respondents believing this content was 'somewhat' or 'extremely' common in the media). Pink tops the list for these four types of content; the percentage of respondents who recognized misleading information carried by this media outlet ranged between 38 and 49 percent. Although aware of misleading information in the media, as much as one-third of the population reported never paying attention to the source of media content, while 22% claimed to do so very rarely: as such, in aggregate, one in two respondents had little or no awareness of the actual quality of the content they were exposed to. Online content is mainly accessed either directly on web sites or through search engines; access via social networks is on the rise. Altered media habits include changes to preferred content formats: the respondents opted for either (1) video content (shorter or longer video content was cited by 39% of those polled in aggregate) or (2) shorter formats.

What information did we glean from our week-long panel with internet users? Firstly, the average internet user spends 156 minutes online every day. Secondly, by far the most time (90 minutes) is spent on social networks. The respondents reported being online more often on weekdays than on weekends, in all likelihood due to differences in their daily routines (family, leisure time, days off work, etc.). The first types of content accessed each morning are politics (despite the fact that citizens note politics as a less interesting topic, they consume political content because they are aware that it influences life decisions) and entertainment (trivia). The most commonly accessed outlets are *Blic*, YouTube, Facebook, and N1, with Mozzart Sport leading among sports web sites. Local media users reported accessing these outlets mainly to find information about public institutions and read weather forecasts, current affairs pieces, and culture columns. In general, most of the respondents reported using their preferred web sites because the content offered suited their needs (as reported by 19%), followed by 16% who claimed they visited the web portals, sites, or forums because they were easy to access, with one in six respondents citing timely information as the reason for visiting their preferred online media outlets. Online users most commonly accessed content either directly (54%) or via social networks (24%); multimedia use is widespread, with nearly one in two respondents reporting the use of one other media outlet in addition to the internet. A total of 13% of all respondents claimed they would be prepared to pay for online content in the future.

Community/local media are important for 12% of those polled, particularly respondents who completed secondary education (17%), retirees (20%), those aged 60 to 65 (18%), and persons living in severely underdeveloped municipalities (22%), Southern and Eastern Serbia (16%), and small municipalities (up to 18%). The public is also highly interested in weather forecasts (46%) and news about utilities and public services (45%) and local culture and entertainment (41% each). The explanation for this could be the fact that those citizens have modest media choices in their communities. The survey revealed that communities that had recognizable local media, in terms of both reach and tradition (long-term presence), used them to follow local issues; 'Local information is also provided by PSBs, as many respondents said". The key shortcomings of community/local media, according to respondents, are their lack of professional journalism (30% for local media users) and their bias and partiality, followed by poor quality reporting and unresponsiveness, with 5%, or 18% for local media users.

In terms of media identity, respondents suggested that community/local media must be careful as to which issues they raise and consider how involved they are with the local community. At the same time, these media must make sure they are open to the public and that the audience is given the opportunity to suggest topics or take part in content creation (as reported by nearly two-fifths of those polled). The findings reveal that many respondents embraced local patriotism, a strong feeling of being connected to their local community and affinity with their fellow local residents and community values. This, however, does not mean they are prepared to contribute financially to their local media. Turning to attitudes towards public interest and the market, 57% of those polled agreed that 'There must be a local media outlet in every town to provide essential information to the residents because this is in the public interest', whereas 36% of respondents agreed that 'The media market is free and only well watched/listened to/read outlets ought to survive'. At the same time, 34% of those polled agreed with the statement that 'The media market is unstable and I would always support quality media if their survival depended on my help'. One in three respondents claimed that no one was advocating for their interests at the local level, and reported they expected this in the future from a wide variety of local actors, mainly local institutions, political parties, and local politicians.

No more than 6% of those polled reported having paid for media content in the past, not taking into account basic cable subscriptions. That said, as many as 24% declared their willingness to do so in the future (mainly for sports, films, and TV shows; the amounts mentioned generally do not exceed 500 dinars per month), while 16% would be ready to pay for content they currently use, if it became subscription-only. Surveys showed that previous experiences are related to paying for premium content rather than paying for news, and the willingness to pay for the news in the future is still low. Most of those polled would be ready to pay monthly (as reported by 61%), with nearly one-quarter (24%) ready to do so as and when needed. The greatest portion of respondents (51%) claimed the most convenient payment option was a traditional (physical) payment using a money order. One in five noted they would rather pay online by card, while 15% preferred mobile or e-banking. In total, 11% of all respondents claimed they would be willing to finance community/local media, by making either a one-time or periodic payments.

Willingness to support community media is above average in Vojvodina, Western Serbia and Sumadija, cities with more than 100,000 residents and, according to the development parameter, those that ranked as more developed than the national average. Willingness to pay is more common among those more than 60 years old, whose main income is a monthly pension, while it is lowest among young people between 15 and 19 years old. Expectedly, this category consists of more educated citizens compared to the average, who do not agree with the policies of the current Serbian government. In the general climate of mistrust in the Serbian media, this group has slightly higher than average trust in the media content they consume, while within this group there is more than twice the number of those who think that citizens' associations represent the interests of the local community in the best way. It should be noted that the willingness to pay for community media is shown by those who are willing to engage in activities that will benefit the community. Local topics focusing on respondents in this category are primarily: sports events, local economy, local cultural events, and local political events.

On average, respondents were ready to set aside 745 dinars per month for local media in their city or municipality. Most of those polled preferred making donations (as reported by 44%), followed by subscription (39%), and, finally, payment for particular content or information (16%). One in 11 respondents claimed to be prepared to make a one-time payment in support of a media outlet in their town facing financial difficulties.

Strategic interventions and recommendations

Strategic interventions are plans of action for the short- and medium-term. In this report, we have divided them into interventions to 1) support the development of a more enabling legal, regulatory, and market environment for the media in Serbia and 2) support the development of financial sustainability, innovation, and partnerships in the Serbian media sector. When it comes to enabling the regulatory environment, it is necessary to maintain a relatively strong role in monitoring the adoption of the new media strategy, especially in the phase of changing media laws in accordance with the strategy. Specific interventions are possible and desirable in the pursuit of establishing a functional, sustainable and fair media market protected from political influence and improving professional knowledge and developing the digital competencies of citizens, journalists, media representatives and media workers. In the area of supporting the development of financial sustainability, innovation, and partnerships in the Serbian media sector, interventions can be aimed at improving content production, interaction, assessment of resources for two-way communication, organizing media campaigns (for audience participation in topic selection or for various types of media support, crowdfunding events), collaboration with IT companies for digital marketing and the promotion of privacy policies.

Below is a set of key specific practical recommendations:

Media content, paying for media content and editorial policy

- → Ensure editorial policy can allow for more varied and responsive content and mainstream concepts (at least content seen as mainstream in the region) that are not solely linked to local topics and events;
- → Organize editorial workshops for (major) political issues, as these are sensitive topics that polarize the public and shape audiences' attitudes towards the media. The workshops should also aim to bring these topics closer to citizens;
- → Organize editorial workshops for topics from local niche audiences identified by this survey, such as green policies and the environment, vulnerable groups and humanitarian work;
- → Work with editors and journalists to enhance media outlets' capacity to produce mainstream content (spreading the concept out of "hard news", not necessarily commercially, much less tabloid) that combines regional coverage (issues of regional importance) with topics close to the local community, such as (as revealed by this research) local public services and utilities, weather, local culture, local entertainment and heritage, and local security;
- → Develop an app, platform, or notification system to serve as a guide to content for audiences at the local or regional level (power cuts, road closures, traffic information, concerts, cultural events, etc.);
- → Develop media campaigns to promote audience involvement in selecting and, possibly, paying for content that would target employed, middle-aged, well-educated and more sophisticated residents of larger and better-developed cities;
- → Identify technical media capabilities and provide assessment of resources for two-way communication with audiences as the first step in establishing stronger mechanisms for interaction with audiences;
- → Create content targeting women, since they have reported being more willing to pay for content that suits their needs and covers issues, they find important (concept out of "hard issues" such as news, chronicles…). The idea is to use not only above-average willingness of women to pay for content, but also the potential that women have in the use of social networks.
- → Work with managers/owners to enhance media outlets' capacity to collaborate with other media, network production facilities, and develop project proposals that permit synergies in accessing markets beyond just the local environment.
- → Work with the media (by organizing workshops and developing strategies and action plans) to enhance their capacity for networking and shared production of content (jointly with other media), focusing particularly on online media;
- → Mentor owners/managers and editors of local online media in developing business plans and producing content (while drawing on the findings of this study) that could be monetized.
- → The project team should work with IT firms and foster collaboration with them to promote the creation of digital content through strategic partnerships;
- → Develop a technical assessment of local online media to identify how well they work with IT firms and to what extent they are able to utilize the technologies they have at their disposal;
- → Enhance media outlets' capacity to harness their advertising potential and organize workshops or educational programs/seminars on programmatic ad sales, a major global trend that has yet to achieve significant penetration in Serbia. Alternatively, collaboration between media outlets can be encouraged, to reach the numbers necessary for programmatic ad sales.

Content sources

- → Hold workshops and/or co-operate with IT firms/media agencies to enhance media outlets' capacity for managing social media accounts and boosting content on social networks;
- → Work with media to produce their own and original content, adapted for local thematic niches and community needs, which would be more attractive than the content being transmitted from other media/sources.

Content formats

- → Hold workshops and/or co-operate with IT firms/media agencies to enhance media outlets' capacity for creating video formats/vertical videos, or mixed video-short text content;
- → Hold workshops and/or co-operate with IT firms/media agencies to enhance media outlets' capacity for creating emerging formats such as Google Spotlight Stories, Facebook Live features, etc.

Interaction between media and audiences

- → Enhance media outlets' capacity to interact with their audiences by harnessing social media, moderating comments, or developing platforms that audiences could use to actively participate in reporting by their preferred media outlets by suggesting topics and influencing them. Work with media should include the specificities identified in the survey: men, with lower education, elderly people, retired show an above average preference for openness of media (for selection of topics/media content) while women students and the younger population in general are focused on social networks and comment options. Openness of the media is very important for people in Belgrade.
- → Organize workshops to instruct media in how to use research findings (media measurements) or perform their own small-scale audience surveys to segment audiences and tailor content;
- → Improve web sites, strongly focusing on mobile optimization and interactivity.

Media involvement in day-to-day community life

- → Work with civil society and activists to develop local initiatives (important for the local community) that should make the media places for gathering together rather than just outlets for finding important information.

2. Introduction

2.1. Why a study on the needs and behavior of the Serbian audience?

We live in an age where information is pervasive and media content widely accessible. An understanding of the changes that have occurred and of the audience that one hopes to reach are becoming indispensable parts of the strategy of any media business. Today's audiences are not the same as those of ten years ago; the habits of Millennials and Generation Z are changing at a much faster pace than those of earlier generations did.

This research was conceived as a comprehensive examination – both quantitative and qualitative – of the needs and behaviors of the Serbian media audience. The key idea of the research was to gain an in-depth understanding of the needs, habits, and expectations of the audience so as to facilitate a rational and informed (1) discussion about the media sector, the upcoming changes to it, and public attitudes; and (2) strategic decision-making in the media business. Although commissioned by SMS, the findings are aimed at, and can serve as convenient tools for, many other stakeholders in the media industry, from media outlets and public authorities, to advertisers and media buying agencies.

This research can also underpin advocacy campaigns in a number of areas, including for online payment options better suited to modern times, but could also prove highly useful for the broadest public, as studies of this kind are very rare and generally not available to the average person.

2.2. Approach and methodological framework

The approach and methodology were designed to facilitate the attainment of the objectives of the research and, specifically, the objectives of SMS, in particular those that entailed gaining a better understanding of the digital environment and the potential for development of new (digital) media businesses. Our starting assumption was that understanding audience needs and profiling target groups constituted integral parts of any media business strategy in terms of both preparing and formatting media content.

The research combined a variety of methods (both quantitative and qualitative) and techniques (a face-to-face-survey and computer-assisted web interviewing, or CAWI), and targeted a number of groups – a representative sample for the face-to-face survey, and a sample of daily internet users for the web interviews.

This report is based on three types of surveys that preceded it:

(1) The first step was a face-to-face survey of a representative sample of 1,500 respondents age 15 to 65 from across Serbia;

(2) The second step was a set of qualitative focus group discussions (with a total of 12 groups), where each group had 8 respondents aged 15 to 65 who were all daily internet users and who also used local media (for focus groups outside of Belgrade); and

(3) In the third step, data from the face-to-face survey were used to create a sample of 100 respondents aged 15 to 65 from across Serbia, all of whom were daily internet users, who were asked to complete identical questionnaires for seven days (Tuesday to Monday).

Table 2.2.1 presents an overview of the methodology used for the face-to-face survey.

Table 2.2.1. *Methodological framework for the face-to-face survey*

Who?	CeSID, in co-operation with IREX, funded by USAID Serbia
Fieldwork	19 February to 3 March 2019
Sample	Random, representative sample of 1,500 respondents aged 15 to 65 from across Serbia,
Sample frame	Polling station districts
Selection of households	Random sampling without replacement: every other street address from the starting point for each polling station area
Selection of respondents by household	'First birthday rule' relative to survey date
Survey method	Face-to-face at home
Survey instrument	102-item questionnaire

This methodological framework and fieldwork resulted in the following sample structure:

Gender: men (46%), women (54%)

Age: 15-19 (4%), 20-29 (15%), 30-39 (21%), 40-49 (21%), 50-59 (20%), 60-65 (19%)

Educational attainment: primary school or lower (9%), two-/three-year secondary school (15%), four-year secondary school (45%), college/university (30%), and master's/doctoral degree (1%)

Employment status: employed (56%), unemployed but able to work (22%), retired (15%), and school/university student (7%)

Place of residence: city/town (64%), suburban area (15%), and rural settlement (21%)

Region: Belgrade (23%), Western Serbia and Central (29%), Southern and Eastern Serbia (21%), and Vojvodina (27%)

Population of local authority: More than 100,000 (57%), 50,000 to 100,000 (20%), 25,000 to 50,000 (15%), and under 25,000 (8%)

Development level of local authority[1]: above national average (52%), 80% to 100% of national average (25%), 60% to 80% of national average (15%), and severely underdeveloped (6%)

Table 2.2.2 presents an overview of the methodology used for focus group discussions.

[1] This division corresponds to the categories established in the Government Order establishing a uniform schedule of development of regions and local authorities for 2014.

Table 2.2.2. *Methodological framework for the qualitative survey (focus groups)*

Who?	CeSID, in co-operation with IREX, funded by USAID Serbia
Fieldwork	25 February to 6 March 2019
Number of focus groups	Twelve (12)
Cities	Belgrade (2), Niš (2), Kragujevac (2), Novi Sad (2), Sombor (2), Loznica (1), and Zaječar (1)
Number of participants	Ninety-six (96)
Target group	Internet and local media users aged 15 to 65, mixed genders, ages, and educational attainment
Survey method	Focus groups
Survey instrument	Guide and content testing

Table 2.2.3 presents an overview of the methodology used for the online survey.

Table 2.2.3. *Methodological framework for the online survey*

Who?	CeSID, in co-operation with IREX, funded by USAID Serbia
Fieldwork	1 to 7 April 2019
Sample	100 respondents, every day for 7 days (Monday to Sunday)
Target group	Internet users aged 15 to 65, selected from the face-to-face fieldwork survey
Survey method	Online (CAWI) survey
Survey instrument	Questionnaire (identical for all 7 days with three additional questions administered on the final day)

This methodological framework and fieldwork resulted in the following sample structure:

Gender*:* women (51%), men (49%)

Age*:* 15-19 (17%), 20-29 (21%), 30-39 (25%), 40-49 (10%), 50-60 (24%), 60 and above (3%)

Educational attainment: primary school or lower (4%), secondary school (35%), college/university (40%), school/university student (21%)

Occupation: housewife (1%), unskilled or semi-skilled worker (22%), skilled or highly skilled worker (40%), technician (8%), office worker (4%), school/university student (25%).

3. Key media trends

To better understand the context, we will briefly touch upon the key global and national trends. The section on global trends will focus on analyzing content quality, changes to how content is distributed, and the growing importance of subscription-only services in many countries. The assessment of national trends will primarily deal with an analysis of the market and how media outlets respond to audience needs.

3.1. Global media trends: content quality, changes to how content is distributed, and the growing importance of subscription-only services in many countries

There are increasing efforts worldwide to generate content that target audiences will want to pay for. Whether print articles or online posts, media companies are attempting to produce content that will be financed through various payment models (Digital Journalism, Paying for Online News, 2017, p. 1174). According to research done by Reuters, changes to the media industry are 'fluid, sometimes elusive'. For instance, subscriber bases have grown, but it is difficult to say whether this is now a global trend, since there are significant regional variations. Most publishers are aware that advertising revenues are insufficient to finance high-quality journalism, and are turning to new forms of financing that include subscriptions, donations, memberships, and paywalls. Subscription models have grown significantly in the US, while donations and memberships are emerging in the UK and Spain (Reuters Institute, Digital News Report, 2018, p. 9).

In spite of the ever-growing consumption of online media and increasing numbers of consumers in some regions, many publishers have failed in their attempts to charge for content. There are, nevertheless, media outlets that have been successful in getting their audiences to pay. The key question that has to be asked is whether media content can survive at all in an environment of pervasive information that is never more than a click away, and, more importantly, costs nothing. Here, with some national differences, data support the finding that very few people would truly be willing to pay for any type of online media content (Digital Journalism, Paying for Online News, 2017, p.1174).

On average, the percentage of people paying for news worldwide has grown, especially in Nordic countries. These nations are unique, however, in having few publishers, who can thus develop diverse strategies for charging their readers, while these opportunities are far more limited in countries with fragmented markets due to a large number of publishers offering news free of charge (Reuters Institute, Digital News Report, 2018, p. 9).

Looking at media consumption at the daily level, these studies show a decline in the share of television, but these outlets still play the most important role, and the global population still spends most of the day watching TV. Why does television, a traditional medium, still command the most attention, in spite of the growth of new technologies? The answer lies in changes to broadcasting that have broadened the choice offered by TV. New technologies allow viewers to watch their preferred content whenever they want and in whatever way that suits their lifestyles. The wide range of options available includes access on demand, video on demand (VoD), standalone broadcasting, multi-screen viewing, and flexible subscription models. This has led television to shift from traditional linear broadcasting to streaming and OTT television (DMUS, Media trends, 2019, p. 5). Over-the-top content is on the rise and largely determines viewing habits. According to The Diffusion Group, US consumers will view an average of 18.9 hours of OTT TV content by 2020 (DLA Piper, Global Media Sector Trends, 2018, p. 8).

Plainly, not only have new formats not undermined television, they have actually enriched it and helped it retain its status as the most watched medium globally.

Which trends are gradually becoming global?

→ Video micro-moments, vertical video, and bite-sized video will account for 80% of all online content by late 2019 (YouTube is the most significant driver);

→ 'Snack ads', short videos designed to grab the audience's attention;

→ Visual search, allowing users to search for content by posting images online;

→ Chatbots, which replace physical people, helping brands communicate with clients;

→ Blockchain technology, among others, permitting people to buy and sell their own personal data, allowing greater data autonomy;

→ Mobile marketing, a shift in marketing strategies due to the ever-increasing use of mobile devices to access content online;

→ Audio marketing via 'smart speakers' and voice marketing, using voice commands to tell smart devices to search for content (see: DMUS, Media trends, 2019, str. 8-26).

Finally, overall trust in the media is exceptionally low, and this trend is reinforced by increasing media polarization and the impression that news outlets have become politicized, especially in countries such as Brazil, Spain, and the US. The increasing presence of 'fake news' has also contributed to declining trust and has shaken confidence in media freedom. According to Reuters, most consumers believe that publishers and platforms have a responsibility to stop 'fake news' (Reuters Institute, Digital News Report, 2018, p. 9).

How is the behavior of media consumers changing?

→ The use of social networks is declining in most global markets: usage is down 6 percentage points in the US, and is also trending down in other leading economies such as the UK and France, especially for sharing news.

→ Messaging apps are continuing to grow, in part due to their consistent efforts to provide more privacy to their users. The significant increase in the use of WhatsApp for sharing news is attributable to the discretion it offers its users.

→ A correlation has been identified between media literacy and media consumption patterns: those with higher levels of news literacy tend to prefer newspaper brands over TV, and use social media for news very differently from the wider population.

→ Privacy concerns, along with the intrusiveness of commercials, have driven the growth in ad-blocking software.

→ More than half of all news video is consumed on Facebook and YouTube rather than within publishers' web sites and apps.

→ Podcasts are becoming popular across the world due to better content and easier distribution, especially among young people (see: Reuters Institute, Digital News Report, 2018, pp. 9-11).

3.2. National media trends: The media market and media attitudes towards audience needs

Serbia's media industry is characterized by many outlets: according to the Media Register, as of 2018 there were 2,248 registered media outlets, of which 916 were print media, 326 radio stations, 227 television channels, 736 web sites, 26 agencies, and 17 other outlets (Media Sustainability Index, IREX, 2019). In spite of the large number of media outlets and saturation of the sector, there is strong vertical and horizontal audience concentration. The public service broadcaster remains the key actor, with a share of 20%, followed by Antenna Group (which changed its country of incorporation to Serbia after being sold to the Kopernikus organization) at 14.6%, Pink Media Group with 12.2%, S Media Team at 7.2%, and Ringier at 5.9% (Media Ownership Monitor). The four major players in the print, television, and radio markets have very high combined audience shares: 63.27% for print, 62.35% in TV, and 52.1% in radio (Media Ownership Monitor). The Media Sustainability Index (IREX) also adds that the number of outlets offering quality journalism has been dwindling with the adjustment to the digital age, while maintaining credibility has emerged as the key question for all conscientious media. The 2018 overall score for Serbia in this index has dropped relative to 2017 and now stands at 1.45, with the categories of Free Speech and Professional Journalism receiving poorer scores (Media Sustainability Index, IREX, 2019).

Television is the primary player in the Serbian media market and the most important medium, although many global (digital) media trends are clearly emerging. Widespread consumption of TV also means it is enormously influential on the market through advertising budgets. Advertisers' habits and (relatively) low prices for television also affect budgets and the media market in general. The average viewer consumed 5.3 hours of television daily in 2018 (DMUS, Media Trends, 2019, pp. 6-7).[2] Netflix is a global provider present in Serbia (albeit with a very limited share), SBB's EON platform has brought smart TV capabilities to every television set, and the government has (indirectly) increased its influence in the market through Telekom Srbija. At the same time, television accounted for 55% of the net media market value of 176 million (Prava mera medija, 2018, pp. 94-108). Print media are ranked second, with a share of 16%, even though they have been hit the hardest by global trends, with circulations in freefall. Internet came in third (15%), followed by out-of-home (OOH) advertising (11%), with radio in the final position with a 4% share. Apart from its impact on the market via Telekom Srbija, the government has also been exerting influence through advertising by other state-owned enterprises (SOEs), unfinished privatization efforts of a number of media outlets, and co-financing of media content, resulting in de facto control of a number of local media outlets that have no other option but to rely on public funding.

A look at the digital market over a longer period of time reveals clear growth, although neither quick nor in line with trends present in well-developed markets. In Serbia, 46% of all internet users watch video at least once per day (DMUS, Media Trends, 2019, p. 9). Some global developments, such as 'snack ads' (which have developed in response to the abundance of video content) are uncommon in Serbia; others, such as visual searching, are not used at all (DMUS, Media Trends, 2019, p. 11-19). Blockchain is in its infancy, with the Serbian Blockchain Initiative registered only in early 2018 (DMUS, Media Trends, 2019, pp. 11-19).

Mobile internet access is becoming increasingly common, both globally and locally (as revealed in this survey as well). Weekly page views on mobile devices trail desktop views by as little as 5% (75% vs 80%), but, 'even though mobile advertising grew by 98% in 2017, investment in this segment (which accounts for 30% of all investment in digital advertising) has failed to keep pace with mobile use: mobile browsing accounts for 64% of all page views globally' (DMUS, Media Trends, 2019, str. 25).

Social networks may be declining globally, but are peaking in Serbia: 'of the 4.2 million internet users in Serbia, nearly 3.3 million are on Facebook; Instagram grew by 36% in Serbia in 2018 to reach about 2 million active users; there are 3.5 million active YouTube users, nearly one-half of the country's population (DMUS, Media Trends, 2019, p. 29).

How is the current state of the Serbian market affecting audiences? Here are some of the most important trends.

(1) The availability of free information/news has been reducing incentives to pay for this type of content, which has had a knock-on effect on media outlets' ability to finance new and higher-quality content. These difficulties are compounded by low incomes and insufficient use of online payment options.

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[2] Nielsen has been monitoring delayed viewing of TV shows in Serbia since early 2017. The current share of delayed viewing is 2.5%, although 25% of all TV subscription models offer this option (DMUS, Media Trends, 2019, pp. 6- 7).

(2) Market saturation has driven commercial (advertising) revenues down, making most outlets unsustainable or barely sustainable, and, consequently, largely unable to produce new and/or higher-quality content;

(3) Vertical and horizontal concentration has led to most advertising budgets (particularly for online advertising) being split between a small number of national or global firms (such as Facebook and Google), leaving little opportunities for web sites to finance sustainable development from advertising revenues. Migrations and aging populations in some regions, coupled with difficulties in attracting advertising revenue, pose major challenges to the sustainability of local media, which are forced to make huge efforts in an attempt to survive or are condemned to closure;

(4) Many traditional media have officially declared in favor of the government, which has both polarized audiences and weighed down news production with political overtones; and

(5) Sports and entertainment (primarily TV series) are the most popular types of programming in Serbia, with the race for ratings resulting in the over-production of tabloid-oriented content, since any major investment into new and higher-quality programs will increase costs to levels that cannot easily be recovered, given the saturation and opacity of the market.

4. Key research findings

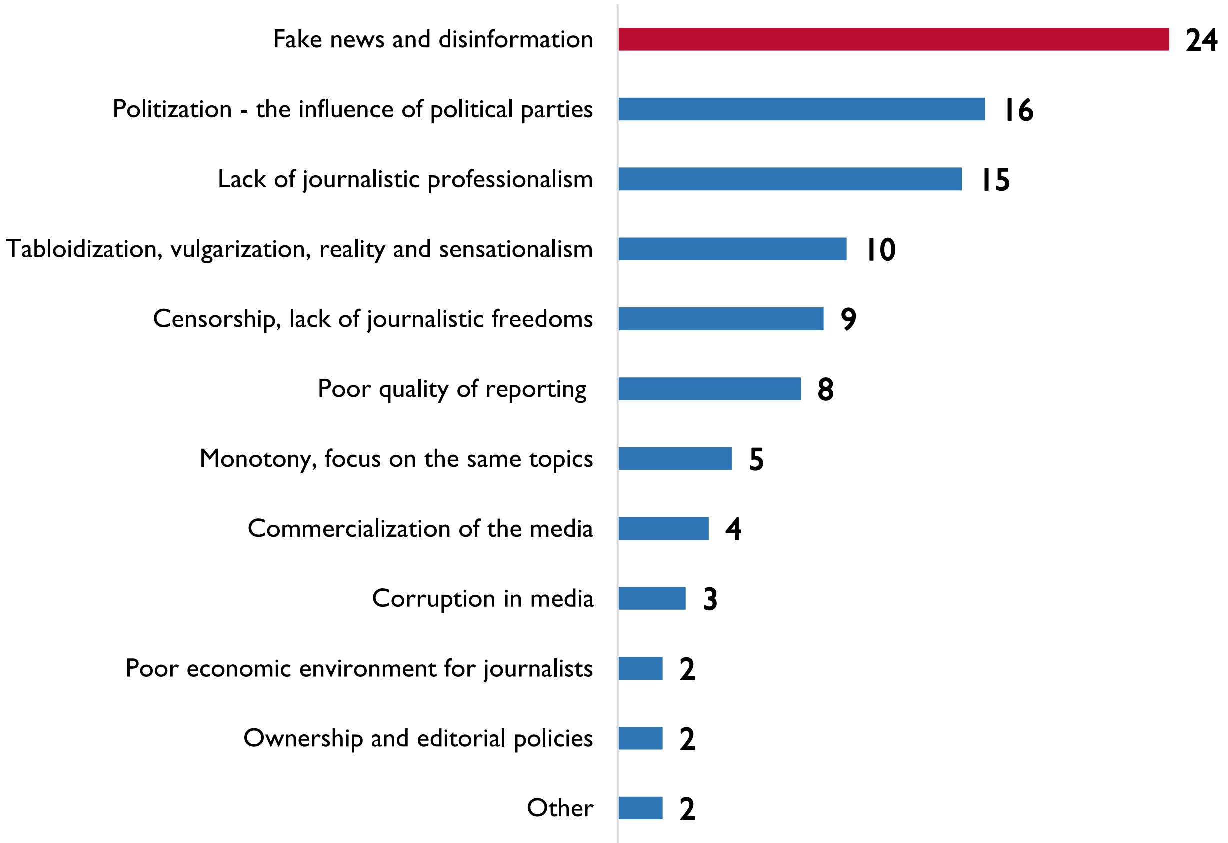
4.1. Media consumption: An overview

This section will zoom out to present a wide angle of how Serbians view the media, centering on trust and key problems with the media sector, as well as the structure of media consumption in the country. The primary objective of this section is to describe the media habits of the Serbian population and its attitudes towards all types of media, and, in so doing, to set the stage for the second step – a detailed description focusing on online media outlets, community/local media, and attitudes towards paying for media content.

Overall findings show that media consumption, despite mistrust, is still very high. TV stations' share of overall consumption affects respondents' selection of content payment methods which is mostly related to premium content.

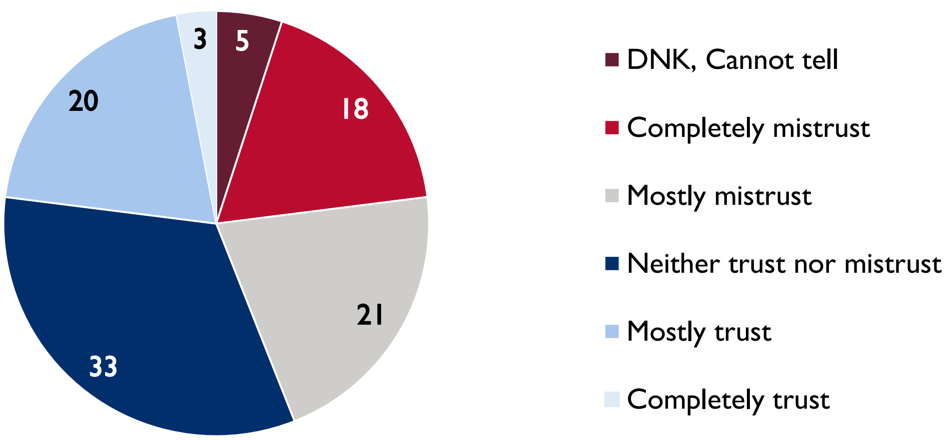
First off, we allowed the respondents to state what they believed were the key issues with the media in Serbia. In aggregate, 28% of all respondents were dissatisfied with the performance of journalists, with 15% citing insufficient professionalism, 8% reporting poor quality features, and 5% complaining about monotonous content. According to the findings, other problems are 'fake news' and misinformation (as reported by 24% of those polled) and the influence of political parties (16%). Also ranked highly are the increasing presence of 'tabloid' or 'vulgar' content (10%) and the lack of media freedom (9%).

Chart 4.1.1. *Greatest issues affecting Serbian media* (%)



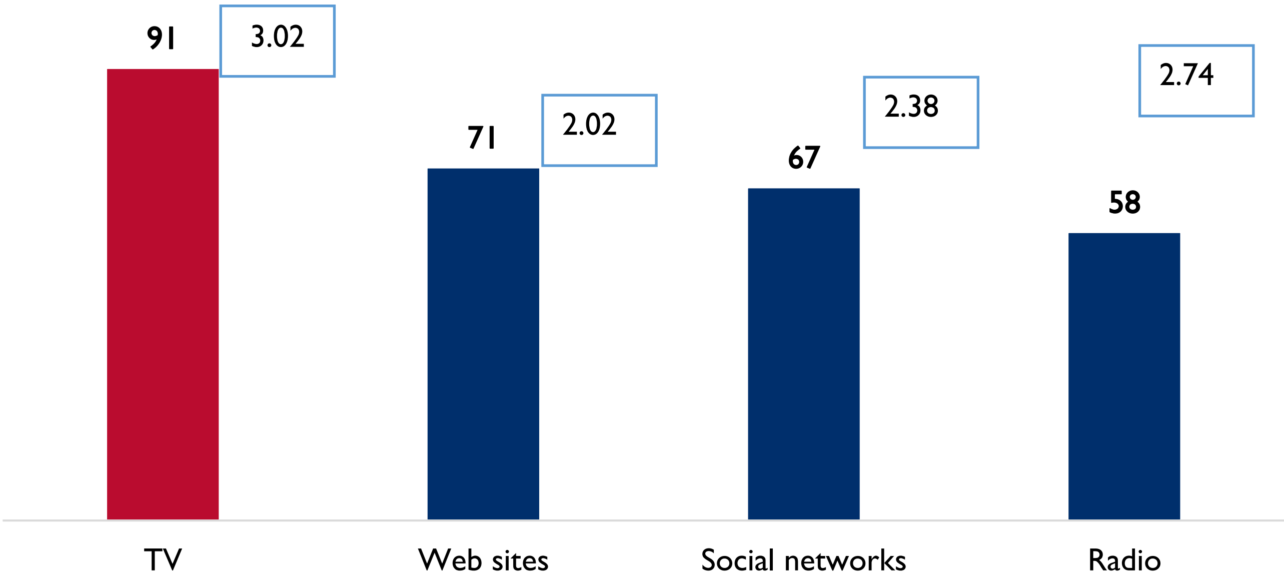
The survey also revealed a lack of trust, with 23% of those polled claiming to trust the media compared to nearly two-fifths (39%) reporting mistrust to a greater or lesser degree. The respondents who reported not trusting the media were more likely to live in larger and more developed cities or Belgrade, and to be better educated, more sophisticated, and aged between 20 and 40.

Chart 4.1.2. *Trust in media* (%)



This was a brief introduction to the context for media consumption by the public. But what are respondents actually interested in, and what are their media consumption habits? First, almost 91% of the population watches television every day, while 71% of those polled visit web sites, 67% use social networks, and 58% listen to the radio. Television still occupies the top spot, watched for a little more than three hours on average per day, but radio stands in second place, with a daily average of 2.74 hours. Entertainment and music content, as a first choice, can be listened to with less focus in the workplace/automobile/public transportation, so the number of hours spent consuming this media is larger than the number of hours on portals or social networks. Social networks are ranked third, with 2.38 hours on average, with web sites dropping to last place with a little over two hours per day. Also, focus group participants reported a great deal of mistrust in the media, which led them to cross-check facts from a variety of sources before making up their minds. It should be noted that focus groups are a qualitative research method, and that one of the mandatory criteria for participation in these groups was daily use of the internet (which certainly affected the structure of the respondents) and that the participants present their subjective opinions that may be socially adapted to the answers of the rest of the group.

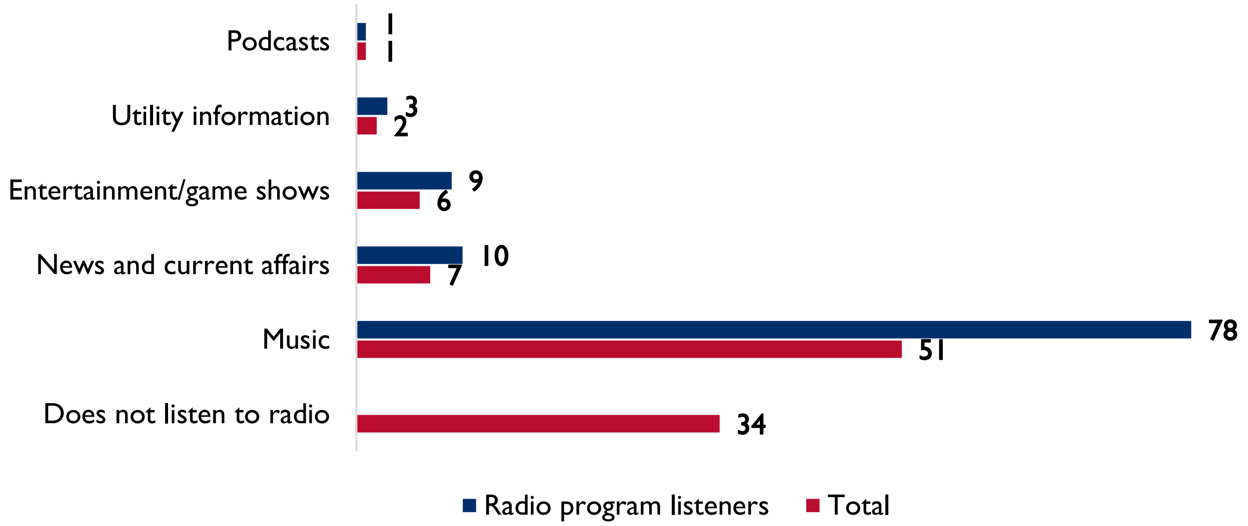
Chart 4.1.3. *Daily media consumption* (% and average hours)



What can we conclude from a detailed analysis of these data? Television is indeed dominant, but the internet is increasing in importance across all regions and with both genders. There is a difference, however, between TV and online audiences: better educated, better off, and younger respondents are more likely to be internet users. Focus group discussions have revealed the internet as a major source of information because it allows users to be more selective and active in 'gaining an unbiased picture of events'.

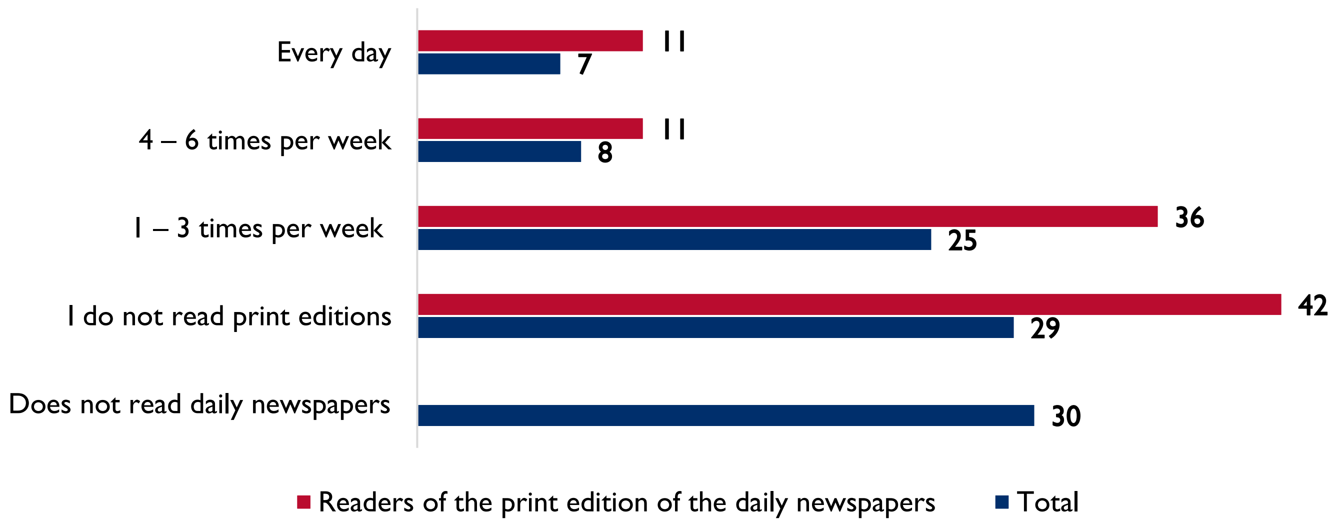
Many respondents listen to the radio in the office/at work and in the car: 58% of those polled do so, spending an average of 2.7 hours daily with the radio on. Music is the main type of content consumed on the radio (in aggregate, one in two respondents listen to music on the radio; with the figure rising to as much as 78% among regular radio listeners). The average radio listener is employed and between 30 and 50 years old. News and entertainment are ranked second and third by popularity, while Serbian listeners are still not used to or interested in listening to podcasts, in contrast to global trends. Focus group participants were less likely to listen to the radio than to watch television or visit web sites, although they did say that 'interesting content could be found on the radio' and that radio was 'convenient because you can do something else while listening to the news.'

Chart 4.1.4. *Radio content consumed* (%)



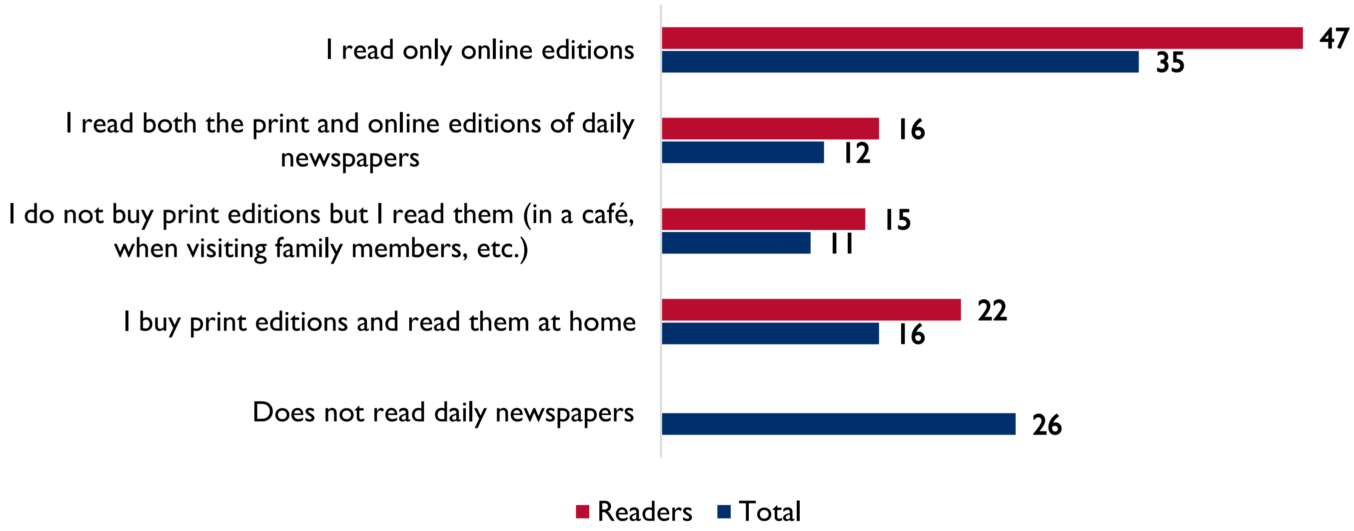
The final aspect of this analysis of attitudes towards the media involves print outlets. The emergence of online media has caused a rapid decline in Serbian print media, clearly reflected in plummeting circulation figures. In the general sample, 30% of those polled reported not reading newspapers at all, with another 29% not reading print editions of daily newspapers at all in the course of a week. One in four claimed to read print editions one to three times per week, 8% reported reading them four to six times per week, and 7% reported reading printed copies of daily newspapers every day. The readership of daily newspapers is mainly made up of men, mostly retired, with education limited to two or three years of primary school.

Chart 4.1.5. *How often do you read print editions of daily newspapers per week?* (%)



A little over one quarter of those polled reported reading print editions of daily papers, either by buying copies and reading them at home (16%) or reading the paper at a café or when visiting friends or relatives, but not buying an actual copy (11%). By contrast, 12% of those polled claimed to read both the print and the online edition, whereas 35% of all respondents reported reading only online editions (as such, one in two readers of daily newspapers consume only online editions). It is important to add that newspapers' online and printed editions often differ, that different journalists work in different editions of the same newspaper and that editorial policy often differs as well.

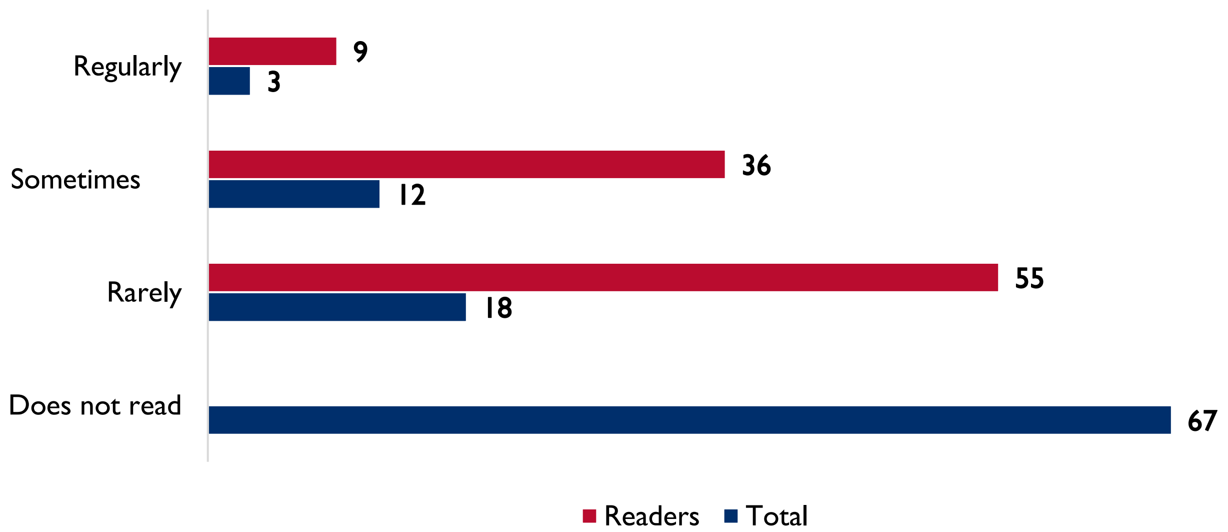
Chart 4.1.6. *How do you most often read daily newspapers?* (%)



Two-thirds of all respondents reported not reading weekly or monthly magazines at all, 18% claimed to do so 'rarely', 12% reported doing so 'sometimes', and only 3% reported doing so 'regularly'.

The focus group discussions have also revealed the growing dominance of online newspapers. For instance, in the Belgrade group, no respondents reported reading print editions of daily newspapers (although weekly magazines were read), whereas a tradition of reading newspapers in print has persisted to some extent away from the capital.

Chart 4.1.7. *How often do you read weekly magazines?* (%)

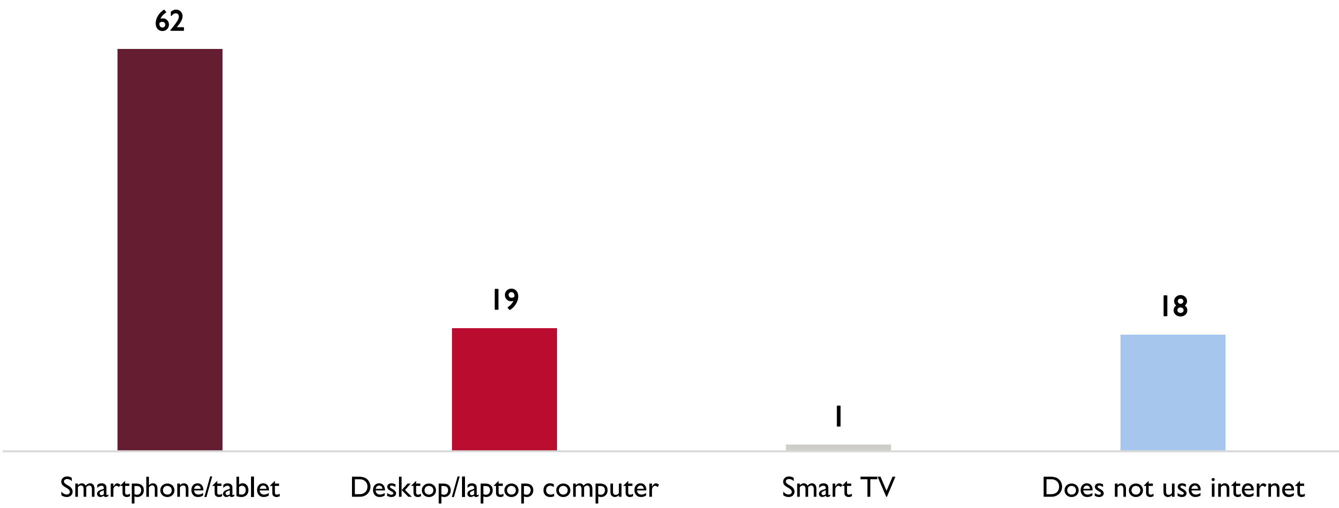


An important finding of this research is that internet use is on the rise, especially among young people. Therefore, the initial question asked respondents to say how much time they spent online and which device they used to access the internet, as well as which social networks they were active on.

More than 80% of the Serbian population uses the internet to some extent. As much as 62% of the entire population (and 76% of the sample of internet users) access the internet using their mobile phones or tablets, highlighting the importance of optimizing all content for mobile viewing. Mobile users are more likely to be school/university students (86%) who live in Western and Central Serbia and (66%) or underdeveloped communities (71%) and are graduates of four-year secondary schools (68%) aged 15 to19

(91%). One in five respondents reported accessing the internet on their computers, and 1% claimed to do so on smart TV sets.

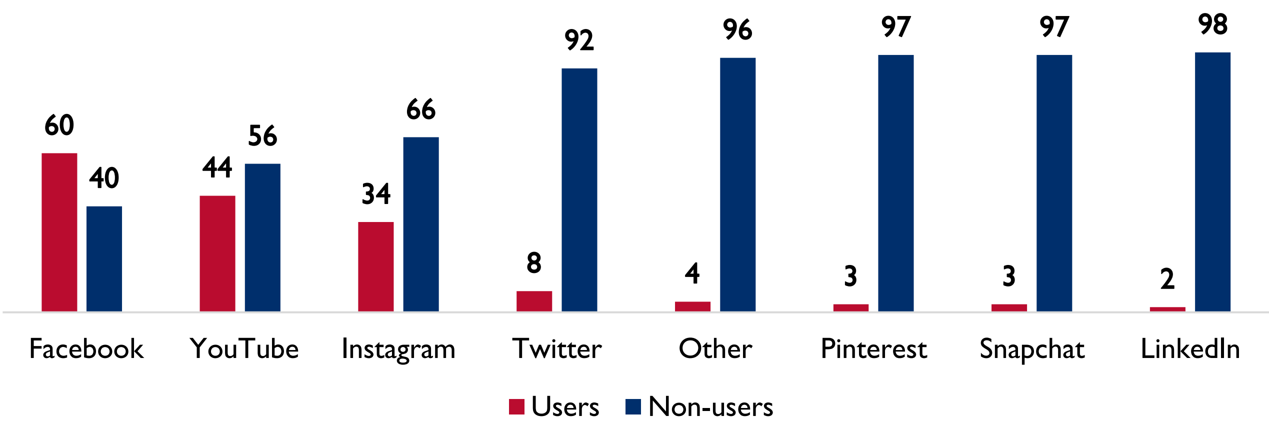
Chart 4.1.8. *Internet access* (%)



The introduction revealed the importance of social networks. Facebook is the single most used social network in Serbia: 60% of the population is on it, and it is the sole social network where users outnumber those without accounts. Facebook users are more likely to be school/university students (88%), those aged between 15 and 19 (88%), university graduates (64%), and women (64%). The list of influential social networks also includes YouTube (44%), Instagram (34%), and Twitter (8%).

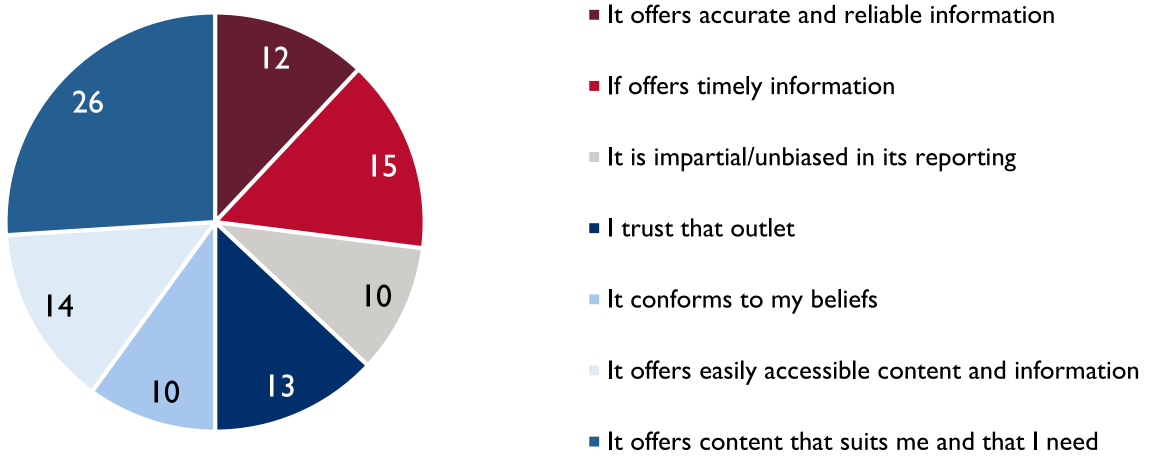
Data confirm the potential of social networks in Serbia, given the importance of sharing content among small online communities. What is needed is an analysis by individual media regarding who makes up the audience, what networks they use and what are their habits.

Chart 4.1.9. *Social media use* (%)



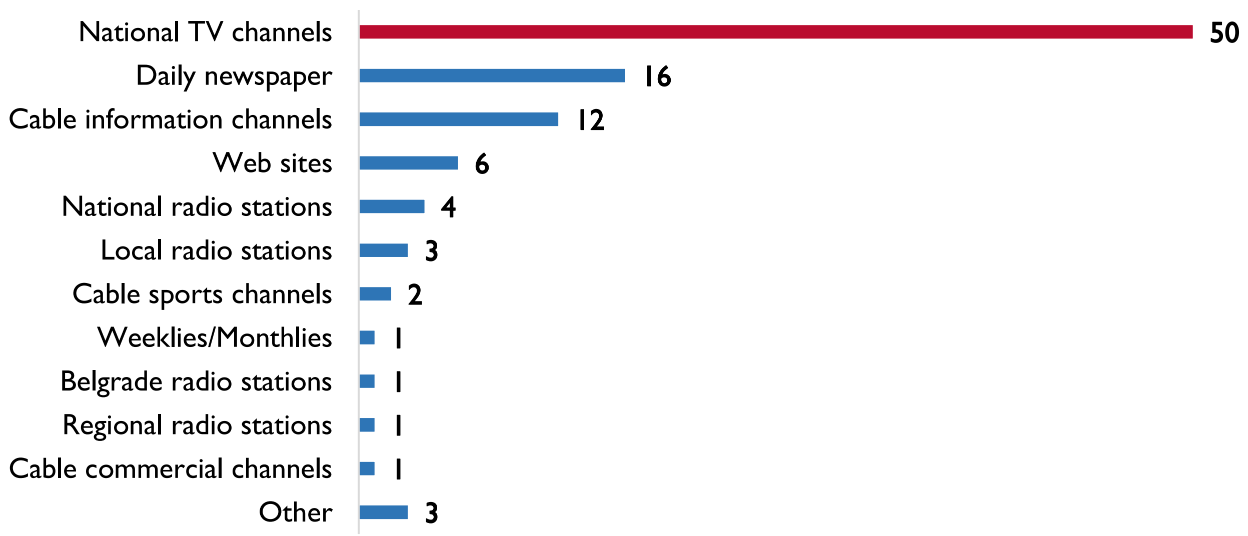
This chapter ends with three questions: the reasons respondents choose a particular media outlet, the outlets they use, and, finally, the reasons that could induce them to stop using a particular outlet. Content produced by a media outlet is the key factor in selection, as reported by 26% of those polled. Citizens who emphasize the content as a key factor for selecting the media predominantly follow entertainment, sport, movies and TV shows. Media that meets their selection criteria is TV Prva. These are respondents who are willing to pay for content, such as an additional cable package; live broadcasts of major sports events and online video content (Netflix, HBO GO, Click Pink, Pickbox ...). Respondents from this category criticize the lack of professionalism in local media. Local topics that they prefer are sporting events and local cultural events, while all other topics are not that interesting to them. The other reasons are distributed rather evenly, meaning that editorial policy should take them all into account. The primary factors are: timely information (15%), easily accessible content (15%), trust in the media outlet (13%), and accurate and reliable information (12%).

Chart 4.1.10. *Reasons for choosing a preferred media outlet* (%)



We then asked the respondents to identify which media outlet they used the most often. This was an open-ended question, and, given the number and variety of answers received, we grouped them by type. One in two respondents cited a television channel with national coverage (here the RTS was dominant, with TV Prva also commonly cited), with another 15% of those polled citing a cable channel devoted to news (N1 was mentioned frequently), sports, or entertainment. Daily newspapers came second (at 16%) – this group comprises answers of those citizens who mentioned daily newspapers which means they may include online editions, web sites third (6%), and radio stations with national coverage fourth (4%).

Chart 4.1.11. *Media outlet of primary choice based on reasons above (%, by type)*



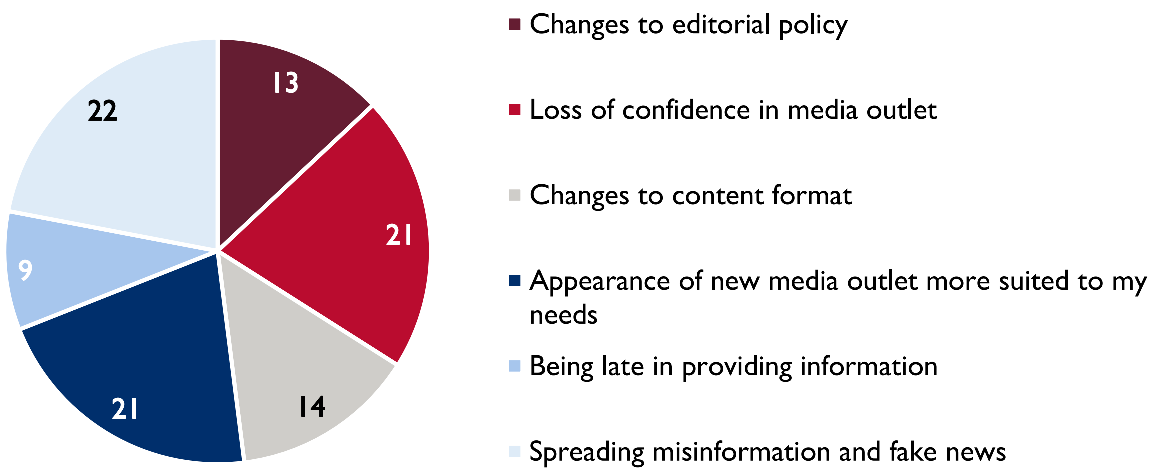
Focus group discussions revealed respondents mainly watched news on RTS1 and N1, followed by TV Prva. TV Pink is perceived as an extremely pro-government outlet that promotes biased and subjective political content. Foreign entertainment and culture broadcasters, such as Discovery, Travel Channel, Animal Planet, Fox Life, and National Geographic are seen in an exceptionally positive light. Respondents believe the features shown on these channels are better quality and more diverse than those available on Serbian television. Sports content is consumed, mainly by men, across all media. Consumption ratings change when the view shifts to how much time (measured in hours) respondents spend using the various media.

In addition, focus group discussions revealed that many younger respondents, and some older ones, are unwilling to access information about events in Serbia. This group is, in the main, dissatisfied with events and believes there are insufficient opportunities for young people in terms of employment, both formal and informal education, and culture. Younger respondents commonly reported they were actively attempting to avoid political news in Serbia and would rather seek information – primarily online – about cultural and local events, sports, entertainment, art, and education that interest them.

> Focus group participant, 30, Sombor: *There's no reason stay informed because nothing good's happening in the country, I haven't got a positive opinion about politicians. So there's no need to read the news: it's all clear when you see how you're living and there's no work'*

Finally, the respondents claimed they would change their go-to outlet if it were slow to provide information (22%), as well as if they lost confidence in it or a new outlet appeared that better suited their needs (21% each).

Chart 4.1.12. *Reasons for no longer using or changing media outlet of primary choice* (%)



Key findings:

- → Poor quality content/journalism was seen as the main issue with Serbian media (28% in aggregate and based on various perceived shortcomings, such as lack of professionalism, monotonous content), together with 'fake news' and misinformation (26%);
- → All outlets, both current and prospective, have to deal with substantial mistrust of the media. Focus group participants were particularly distrustful of television, which led them to migrate to the internet in search of entertaining and relaxing content and the ability to draw on multiple news sources to obtain a complete picture;
- → Overall, Serbians spend the most time watching television, followed by using web sites and social networks, and listening to the radio. At the daily level, television accounts for the most time spent consuming media, with radio coming in second (at work and in the car), followed by social networks (young people) and web sites;

→ Television is by far the most dominant medium, even for the 'narrow' sample (i.e. respondents aged 65 and under), meaning that the influence of television is even more pronounced for the entire population. Internet use is on the rise, particularly among young people, and its interactivity and ability to draw on a variety of sources are seen as benefits. Radio has not lost the battle yet, but it has been mainly reduced to music and entertainment, the content mainly offered by formatted radio stations;

→ As few as 41% of those polled reported reading print editions of newspapers in some way, while only 15% were identified as 'hardcore' consumers who read print editions four or more times per week. Newspapers are increasingly read online, but we should keep in mind that online editions of the newspaper often have their own special features as well as different editorial policies;

→ The key reason driving respondents to choose a preferred media outlet is the content it offers; as such, making use of audience segmentation and understanding its needs is the obligatory first step in reaching out to consumers.

4.2. Key characteristics of the Serbian media audience: habits, needs, and behavior

This section will outline the key characteristics of the Serbian media audience. We examined their expectations of content and editorial policy and attitudes towards the internet and social networks, content sources and formats, and community (local) media; finally, we looked at how involved the media were in the day-to-day life of the local community. This section will particularly focus on the internet: a case study (the product of a separate study of only internet users over the course of seven days) will describe the habits, needs, and behavior of the online audience in detail.

4.2.1. Audience relation to content production and editorial policy (including 'fake news' and misinformation)

We presented the respondents with five statements denoting various editorial policies employed by web sites and asked them to state to what extent they agreed with them, on a scale from 1 to 5 (where 1 meant 'completely disagree' and 5 meant 'completely agree'). The purpose of this exercise was to identify the preferred online editorial policies for the Serbian audience. First off, we observed that all of the five principal reasons were seen as highly important, as each attracted an average score of more than 3: the respondent's value speed, as in being able to follow an emerging story with regular updates (3.26) and being able to access news easily and quickly with one click (3.24). The ability to access specialized content received an average score of 3.12, the variety of information on offer scored 3.09, and links to other sites were seen as the least important of these considerations, with a score of 3.03.

Chart 4.2.1.1. *Relation to the editorial policies of the online portal* (average scores)

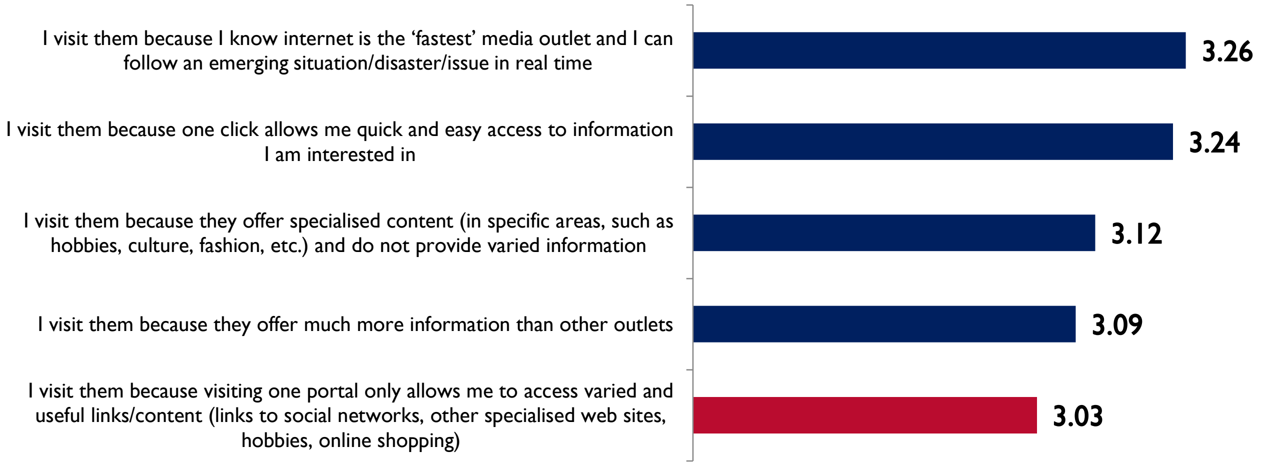
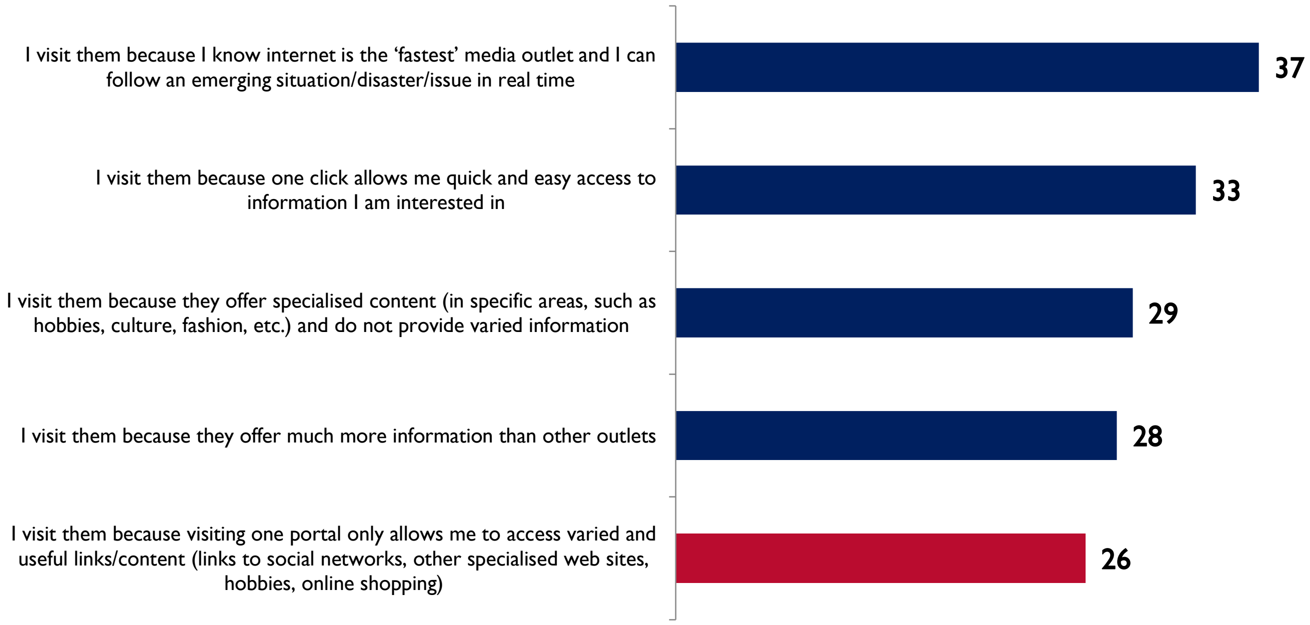


Chart 4.2.1.2 focuses on the same question but looks only at respondents who chose 'completely agree' as their response to each statement. The order is identical to the average scores: more than one-third of those polled completely agreed that speed of reaction was the primary reason for visiting web sites (37%), followed by ease of access ('one click', at 33%), while the remaining three considerations were grouped close together, with between 26 and 29% of those polled agreeing that the factor in question was the most important.

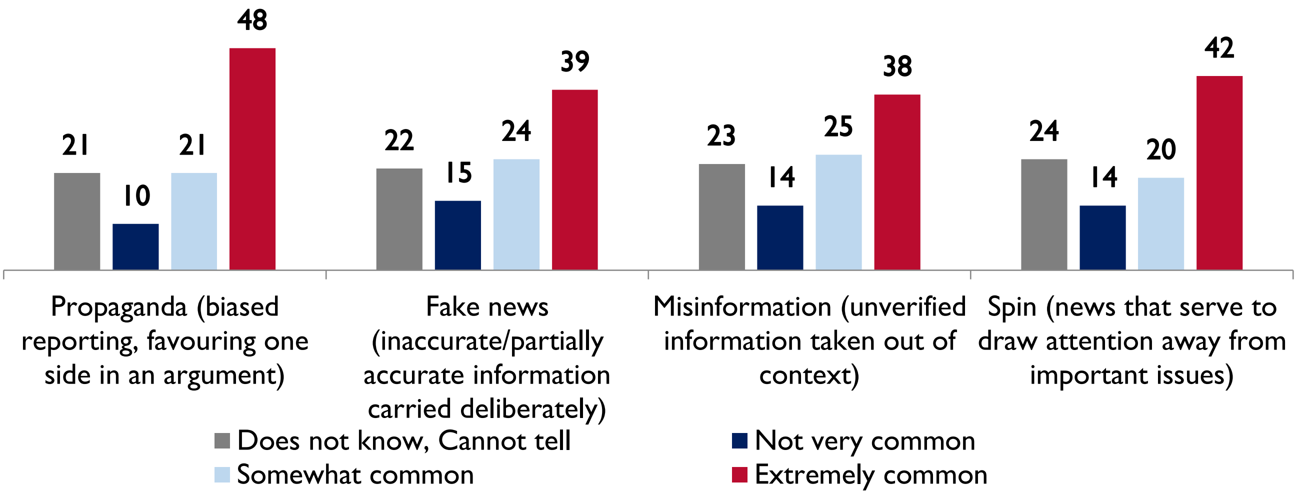
Chart 4.2.1.2. *Relation to the editorial policies of the online portal* (%)



Producing credible content is of exceptional importance in building trust, and this means eschewing 'fake news' and misinformation. That said, 'fake news' proliferates, and impacts media consumption and habits. Media editing processes require the careful selection of sources and their credibility because potential errors can lead to bad or inadequate content. Therefore, it is important to see how this type of content is understood by the audience in Serbia.

Here, we asked the respondents (1) to tell us to what extent they felt the presence of propaganda, 'fake news', misinformation, and spin in the media, and (2) which media outlets were the primary sources of such misleading content. Propaganda was the easiest to detect, as reported by 69% of those polled (with 48% choosing 'extremely common' and 21% 'somewhat common'), followed by spin, at 62% (42% 'extremely common' and 20% 'somewhat common'). 'Fake news' and misinformation were also identified straightforwardly, with 63% of those polled believing they were either 'extremely' or 'somewhat' common in the media. Focus group discussions bore out these findings: here, the respondents noted the extreme bias of some outlets, in particular traditional ones, which led them to use multiple news sources to obtain a more balanced picture.

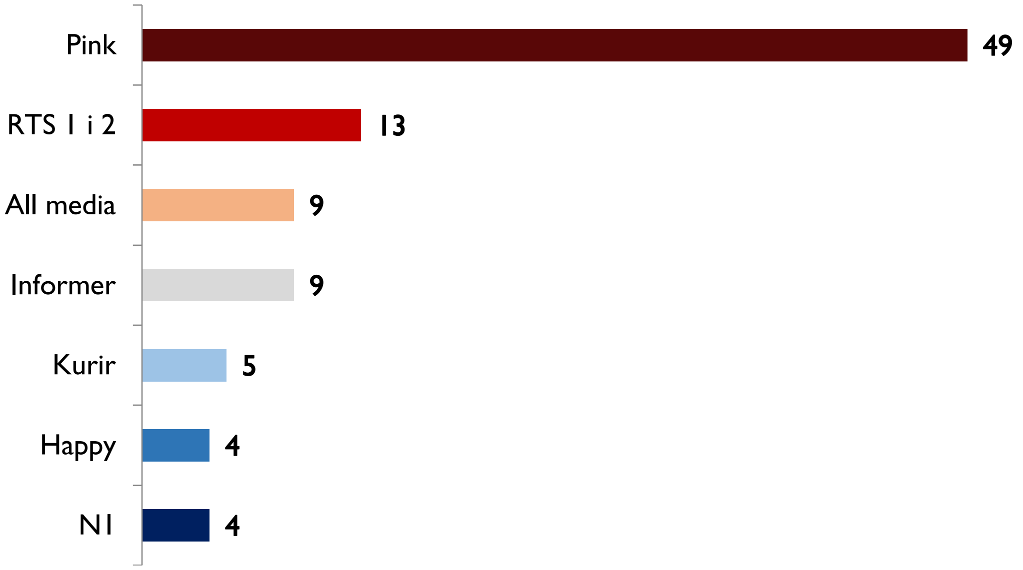
Chart 4.2.1.3. *Misleading content in Serbian media* (%)



Respondents were also asked to name an actual outlet where they could identify these four types of undesirable content (taking into account only answers from those who claimed that misleading information was present, and they could identify it). The most important finding here is that Pink heads the list for all types of this content; the percentage of respondents able to identify misleading news carried by this outlet ranged from 38 to 49 percent.

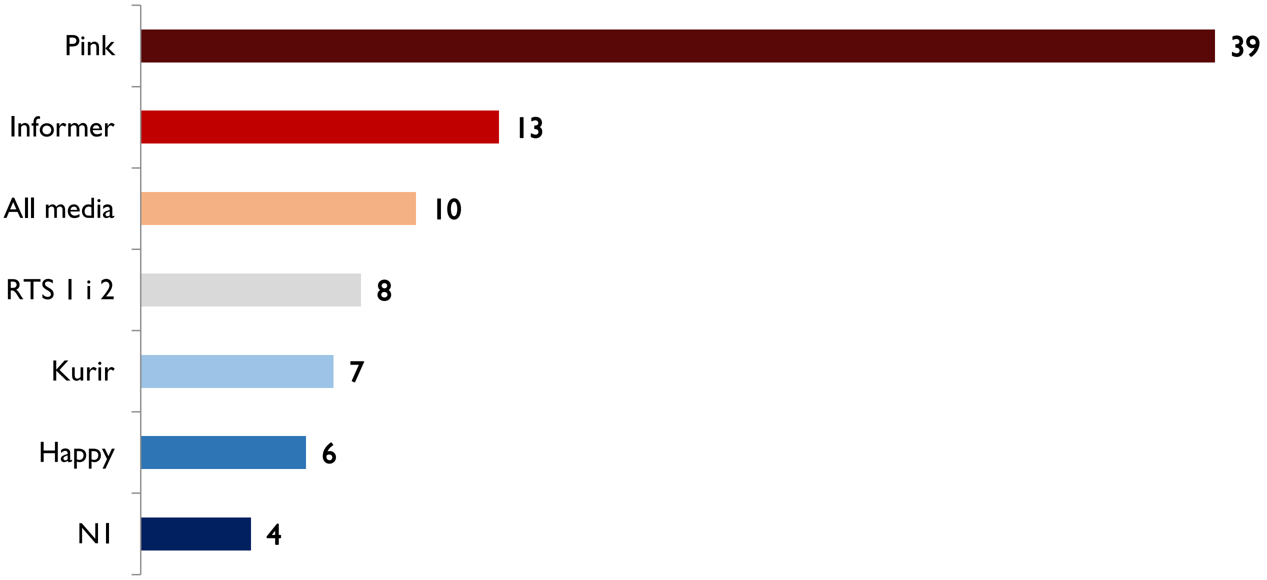
Another 13% of those polled claimed they could identify propaganda in reporting by the public service broadcaster, followed by 9% who detected it in stories printed by *Informer*. That said, one in 11 respondents believed all outlets engaged in propaganda, an indicator of widespread discontent with the media in general.

Chart 4.2.1.4. *Which media outlet publishes propaganda?* (%)



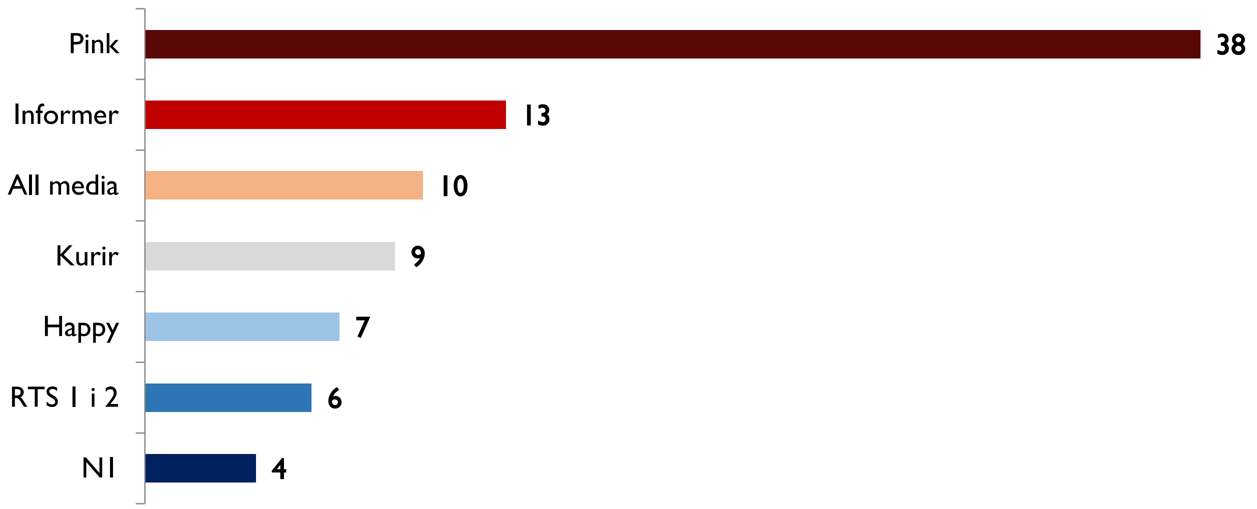
Pink was followed for 'fake news' by *Informer* (at 13%), all media outlets (10%), the public service broadcaster (8%), and *Kurir* (7%).

Chart 4.2.1.5. *Which media outlet publishes 'fake news'?* (%)



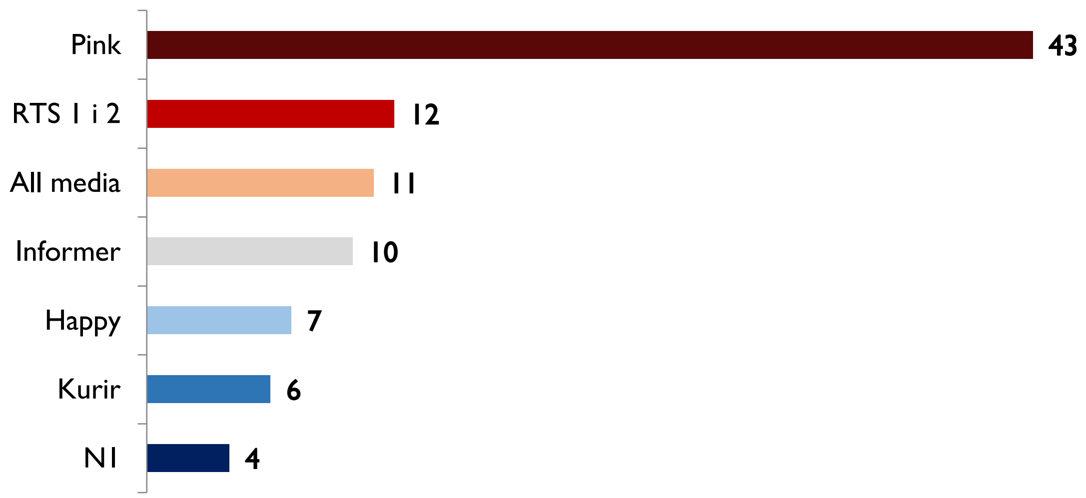
Informer came second for misinformation (13%), while one-tenth of those polled felt all media outlets engaged in misinformation. Nine percent shared this view for *Kurir*, and 7% for Happy TV.

Chart 4.2.1.6. *Which media outlet engages in misinformation?* (%)



The final finding in this section is telling in its identification of spin in the media. Pink is here far ahead of the rest, with 43%, but the public service broadcaster comes second, identified as a source of spin by 12% of those polled. All media outlets are seen as purveyors of spin by 11% of those polled, with *Informer* and Happy TV viewed as spinning facts by 10% and 7%, respectively.

Chart 4.2.1.7. *Which media outlet publishes spin?* (%)



Key findings:

→ Web sites must treat all aspects of content production as equally important: none is crucial, and none is immaterial. The greatest effort must be made in covering emerging stories appropriately and in a timely fashion, and into making sites easily accessible and clearly laid out in order to allow all relevant information to be only 'a click away';

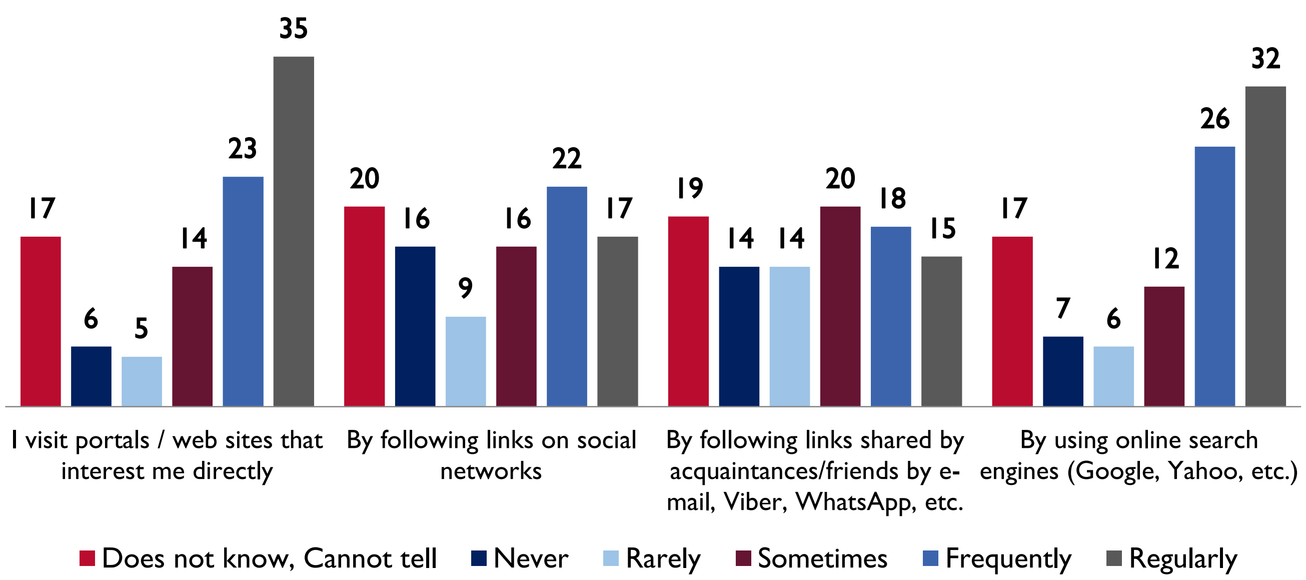
→ The public is aware of misleading content in the media and significant numbers are able to recognize it in specific media outlets. It also ought to be highlighted that respondents were fairly consistently able to spot the outlets which published such information, but that this did not prevent them from using those outlets: TV stations were perceived as the main providers of misleading content and yet remain the dominant medium in Serbia.

4.2.2. Relation to content sources and formats

This section will look at the sources and formats of media content: sources are important, among other things, for assessing media literacy and the ability to identify 'fake news', while formats matter for our understanding of shifting patterns of media use, which include format changes.

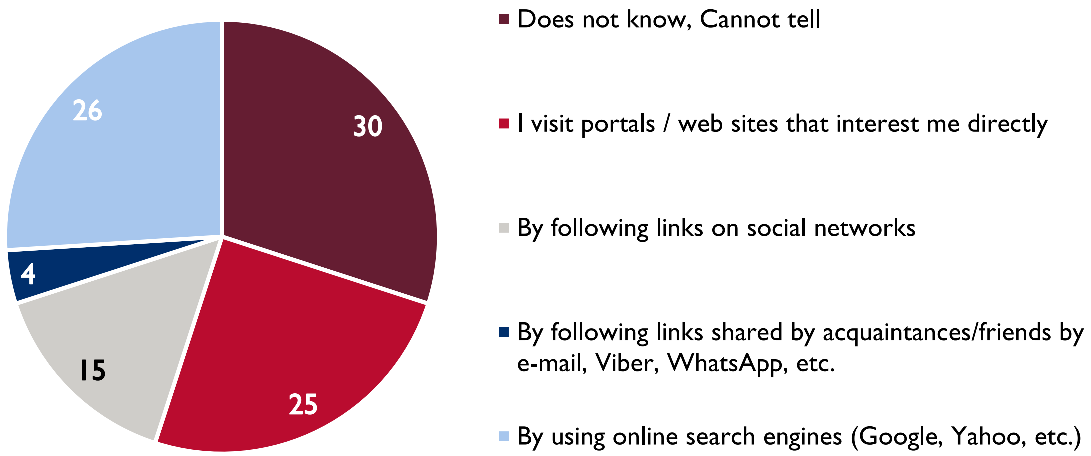
Here we began by asking respondents about how often they accessed online content (on a scale from 'never' to 'regularly'), a common question in global surveys as well. We identified two primary modes of accessing online features: visiting web sites directly (where 35% reported doing so 'regularly') and via search engines (32% did so 'regularly'). A total of 17% of those polled claimed to 'regularly' access content via social networks, with 15% doing so by following links shared by family members and friends. Similar trends are evident for respondents who reported 'frequently' accessing content: 26% reported doing so via search engines, 23% by directly visiting the web sites in question, 22% did so through social networks, and 18% found stories by clicking on links shared by family and friends.

Chart 4.2.2.1. *Accessing online content* (%)



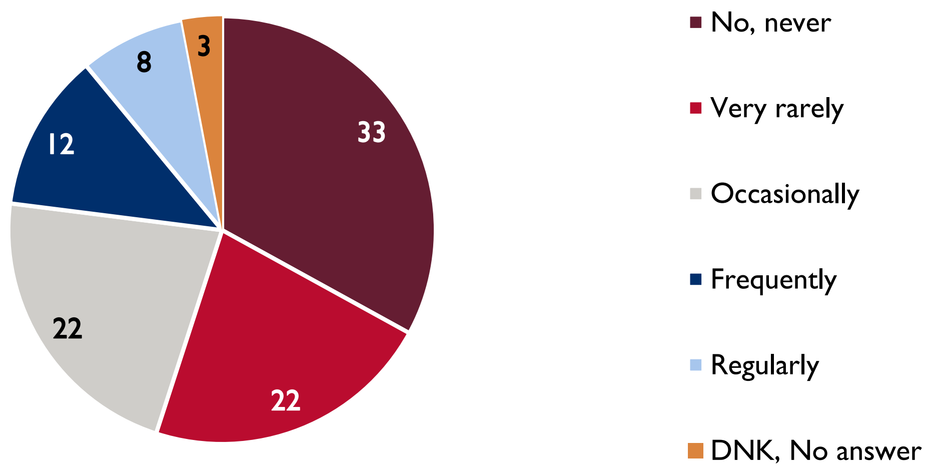
The differentiating question, which required respondents to choose only the most common way in which they accessed online content, found that 26% of those polled reported using search engines (such as Google and Yahoo!) to discover content, while 25% did so by directly accessing the web site they were interested in. More likely to access web sites directly were men, residents of larger cities and underdeveloped communities, younger respondents (aged 15 to 19), and school and university students. A total of 15% accessed content via social networks, with only 4% doing so via links received from family and friends. However, a noticeably large portion of respondents – 30% – could not say how they accessed content, suggesting they may be vulnerable to 'fake news'. This suggests that, for the audience, content is more important than the source itself.

Chart 4.2.2.2. *How do you most commonly access online content?* (%)



In the main, the respondents did not suggest they paid attention to the sources of content they consumed, which is worrying from the perspective of being able to recognize and understand 'fake news'. At the same time, this finding also means that quite a large part of the population was rather susceptible to various forms of misleading information, from propaganda to spin. As many as one in three respondents did not pay attention to the sources of their media consumption, with 22% doing so only rarely – in sum, one in two of those polled had little or no knowledge of where their news came from. Slightly more than one-fifth paid attention to sources sometimes, 12% did so regularly, and as few as 8% were scrupulous in always considering where their content originated. This last group was more likely to include university graduates, residents of Belgrade and other large cities, those aged between 40 and 49 or younger, and men rather than women.

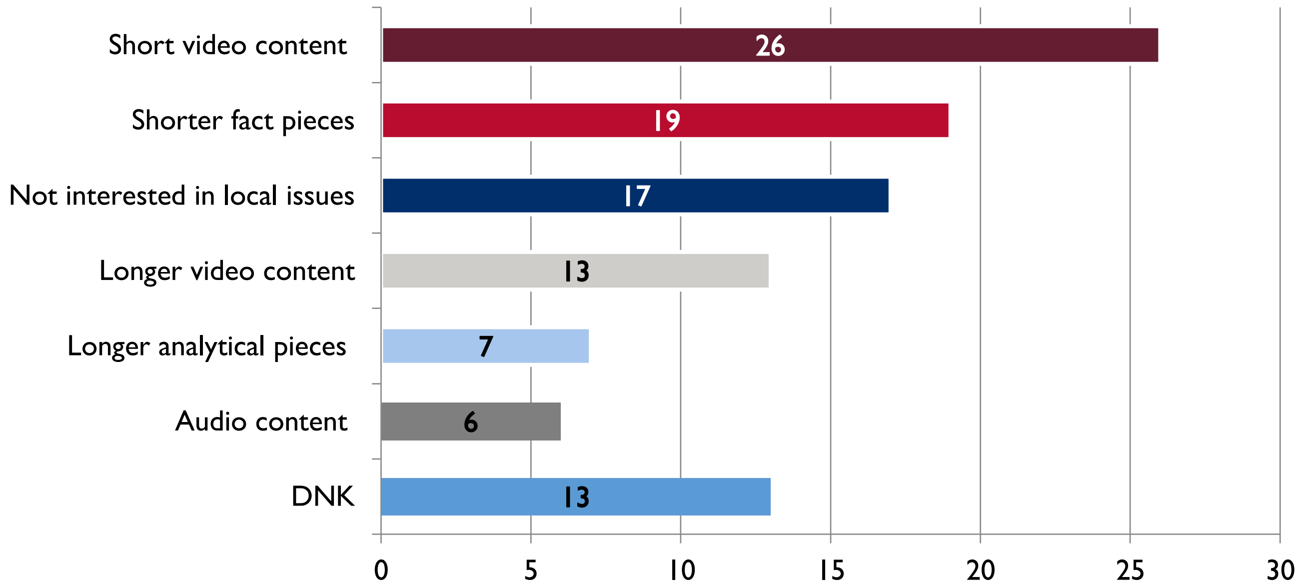
Chart 4.2.2.3. *Do you pay attention to sources of media content?* (%)



The following question enabled us to understand which formats the respondents preferred when it came to local issues, topics that are more likely to be reported by local (community) media. The two major findings here are that consumers expect video and short pieces. One in four respondents reported preferring short videos; 19% stated they would like to see shorter factual articles; and 13% were interested in longer videos. When it comes to the category of those who prefer long-form texts, they are more likely to be men, more educated citizens, employees and older than 50 who live in South and East Serbia and municipalities with up to 50,000 inhabitants.

Interest in short videos was reported to an above-average extent by residents of Belgrade (84%), cities with more than 100,000 inhabitants (74%), and better-developed towns (73%); those in employment (70%); respondents aged 15 to 19 (63%); and those with MAs or PhDs (93%). Short factual pieces were preferred by residents of Belgrade (39%), severely underdeveloped municipalities (35%), cities with more than 100,000 inhabitants (30%), and suburban areas (40%); as well as those aged 60 to 65 (24%).

Chart 4.2.2.4. *Content formats* (%)



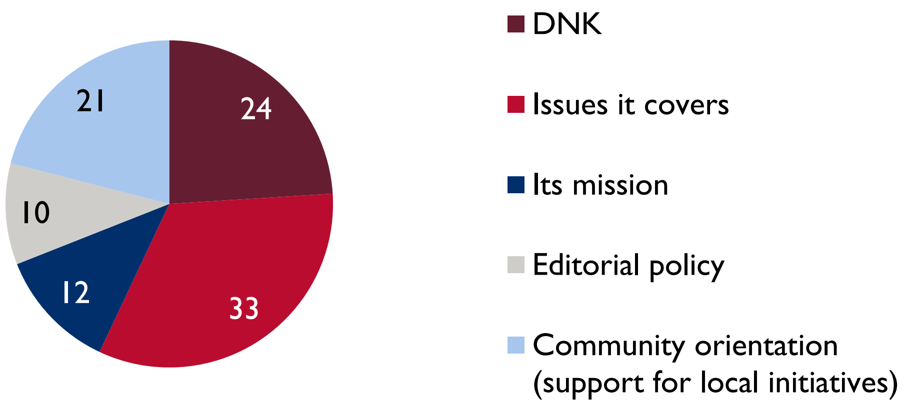
Key findings:

- → Online content is most commonly accessed either directly on the relevant web site or via a search engine. Access through social networks is increasing. A large percentage of respondents are unaware of how they access content, meaning they could be susceptible to misleading information ('fake news');
- → Many respondents are vulnerable and susceptible to 'fake news', with 55% of those polled paying no attention to the sources of their media content. It seems that promoting credible sources could be a key initial step in strengthening media literacy;
- → Shifting consumption habits have brought about a change in preferred media formats: the respondents would rather see either (1) videos (shorter and longer videos account for 39% of all answers) or (2) shorter texts. Preference for video content is linked to the importance of television, whose influence has caused respondents to be partial to online video as well.

4.2.3. Important features of community / local media and interaction with the audience

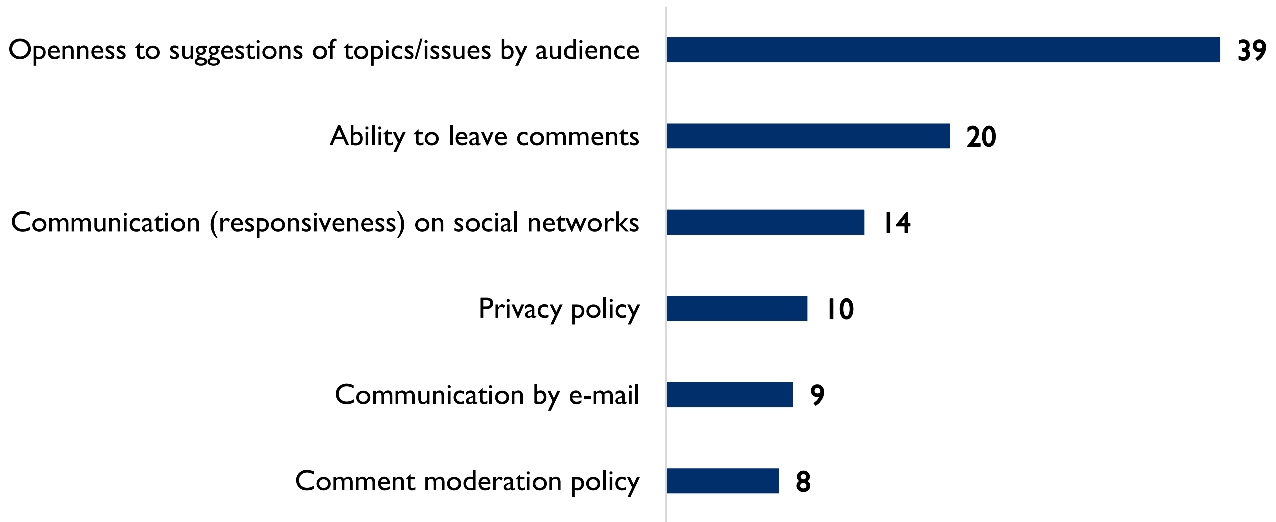
The introductory question in this chapter is focused on the most important characteristic for a local media outlet. Judging by the responses we received, local media have to keep two things in mind: the topics they raise and their involvement in the community. Mission came third (with 12%), with editorial policy in last place (10%). Belgraders see local initiatives as important, mission matters in Vojvodina, while Southern Serbians place the greatest emphasis on the topics covered by the outlet. In general, local initiatives are seen as more important in larger cities and by better educated respondents.

Chart 4.2.3.1. Key characteristic for a community/local media outlet (%)



What matters most in a community or local media outlet is being open to the public – allowing audience members to propose topics or take part in content creation – as reported by nearly two-fifths of those polled. Focus group discussions confirmed these findings. This conclusion is also important when viewed alongside answers about the relative significance of issues raised by media outlets and their involvement with the local community. In addition, with 20% of respondents claiming they expected to be able to leave comments online, and another 14% expecting outlets to have interactive social accounts, it is clear that media closed to public participation have no hope for success. One in ten of those polled (10%) saw privacy policies as important, with slightly fewer (9%) mentioning communication with the media. Nearly the same portion (8%) claimed that outlets' comment moderation policies were key.

Chart 4.2.3.2. What matters most in a community/local media outlet? (in %)



Women tend to be more interested in communication (responding to content) through social networks while men prefer to participate in the selection of topics or content. Citizens with lower levels of education expect openness to suggested topics from media, while the more educated are interested in social network interaction and writing comments. Students and young people are also more interested than average in writing comments, while pensioners and citizens over 60 are more interested in participating in the selection of topics/content production.

Regionally, respondents in Vojvodina have above average interest in the policies on deleting and publishing comments (moderation), there are no statistically significant differences in the publishing of comments, while citizens of Belgrade and a fewer percentage of the respondents from South and East Serbia, are interested in making the media more open to topic/content selection.

Key findings:

- → The importance of the content presented on the local media and their orientation towards the community is very important for citizens. The research shows some sort of fear of the audience about the biased behavior of local media because they have noticed that as a potentially big problem, so it is necessary to carefully build trust between local media and the audience;
- → In terms of communication with the audience, the media should provide at least three elements: to be open to include the audience in the selection of content, to leave the possibility for the audience to leave comments and to provide quality moderation and to be open to communicate with the audience through social networks.

4.2.4. Community/local media and audience: expectations, content, and editorial policy

Local media will henceforth be referred to as 'community media' for the purposes of this report. While the questionnaire used the expression 'local media', the idea is to use this report to promote the new term 'community media', which we believe better reflects the mission of this class of media and presents an opportunity to alter or develop their image.

We begin this section by looking at the extent to which community media matter to the public. Community media were seen as important by 12% of those polled; these respondents were more likely to have completed secondary school (17%), be retired (20%), aged 60 to 65 (18%), and live in severely underdeveloped municipalities (22%), Southern and Eastern Serbia (16%), and smaller municipalities (18%).

This shows that there is interest in the geographic areas (cities, towns) where the audience has very few media choices, but it is also an indicator (and this was confirmed by the focus group) that some citizens either do not have local media at all, do not know how to recognize or distinguish it from other types of media, or has completely lost confidence in such outlets because they are perceived to be too biased.

As many as 42% of those polled claimed community media were either not important 'at all' or were 'a little' important, with one in three stating these outlets were 'moderately' important.

Focus group findings reveal a shared understanding that these media are highly important to the community, a feeling particularly strong outside Belgrade. In particular, respondents in cities with a strong tradition of local patriotism, such as Kragujevac and Niš, felt the need and desire to consume and engage with local media. These respondents reported using local media to an even greater extent in the past, but no longer did so for the following reasons:

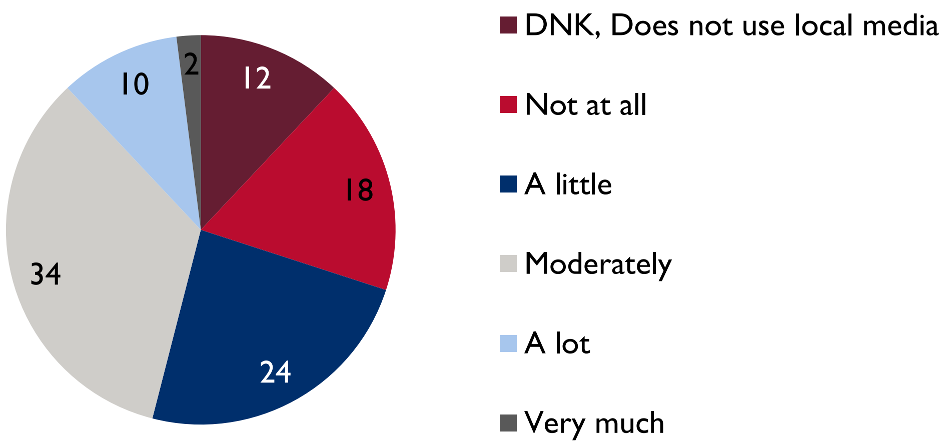
Local televisions:

Respondent from Kragujevac: 'Kanal 9 and RTK used to be widely watched, but that changed after they became completely political'.

Respondent from Novi Sad: 'They do provide lot of useful and important information, but then they'll publish a politically-motivated lie, such as that only 100 people turned out to a demonstration, and I'll stop watching them'.

The political 'occupation' of many community media outlets has, therefore, taken away any hope from local residents of ever being able to access a high-quality, unbiased media outlet. When asked whether they would consider engaging to develop objective editorial policies for a local media outlet, respondents believed that outlet would somehow be targeted by the authorities ('an inspection would come visit them and find some imaginary fault'). In this context, respondents reported that personal contacts with fellow residents and personal perceptions of the local quality of life are the primary sources of objective information at the local level which, in fact, indicates the existence of a desire for information.

Chart 4.2.4.1. *Importance of community media* (%)



We then examined respondents' relationships with local topics: (1) how interested they were, (2) whether they would like to see media outlets reporting on these issues, and (3) what outlet they would like to see these topics featured on.

(1) More than one-third of those polled reported interest in 10 of the 21 topics we presented. These are weather forecasts (46%), local utilities and public services (42%), and local cultural and entertainment events (41% each). Local residents are also interested in local history and local public institutions (39% each), sports (38%), security and transportation (37% each), and local economy (33%). There is little or no interest in political institutions, human rights, and corruption. A total of 7% of citizens reported interest in the topics of political institutions, human rights, and corruption. These three themes are predominantly followed by citizens from Southern and Southeastern Serbia, and considerably fewer citizens in the remaining four statistical regions. Primarily, these themes are observed in those municipalities that are at the level of development of 80 to 100% of the national average with app 50 to 100 thousand inhabitants. Within this category, one-third of respondents have confidence in the work of the media, which is 10 percentage points higher than the average, while there is an equal number of those who are willing to pay for a different type of media content, entertainment, science, news or sports. The key criticism of the work of local media by respondents in this category is the lack of journalistic professionalism. Demographically, this category consists of older, highly educated men who are willing to engage in activities that contribute to the welfare of the community. Interestingly, this is about citizens who showed above average support for the policy of the current authorities in Serbia.

The findings of the quantitative survey show that local utilities and public services attract the most interest across the country. Nevertheless, residents of Belgrade and Loznica reported often not having access to this information. In Loznica, news of this kind is seen as often late or completely absent, while Belgradians feel a need for a media outlet to cover these topics at the local level, a role that Studio B used to fill but no longer does. Focus group participants in all cities reported that the local level required more impartial information about the current economic situation, future prospects, and employment opportunities in their city/town and region. Moreover, in every town the respondents explicitly stated the need for cultural and educational programming devoted to the region's traditions and culture. This view was particularly strong in Novi Sad, with its numerous ethnic communities, and Zaječar, the hub of a region known for its rituals and religious observances. One of the most watched shows on television in Kragujevac, for instance, is called *Šumadijski prag* ('The Threshold of Central Serbia'). There is some indication, therefore, that local audiences would like to see content that fosters and promotes local and regional development.

Table 4.2.4.1. *Interest in local topics* (%)

Local topic	Not interested at all + A little interested	Somewhat interested + Very interested
Weather forecast	**31**	**46**
Utilities (power, water, etc.)	**34**	**42**
Local cultural events	**35**	**41**
Local entertainment events	**36**	**41**
Town history / local heritage	**40**	**39**
Local public institutions (healthcare, schools, police)	**37**	**39**
Sports/youth events	**41**	**38**
Security	**38**	**37**
Traffic/road information	**39**	**37**
Local economy (factories, businesses, etc.)	**44**	**33**
Humanitarian issues	43	32
Environmental and green policies	44	31
Local human interest stories	47	31
Local tourism	45	30
Local political developments (parties, politicians, etc.)	58	23
Classified ads	56	22
Corruption and scandals	59	22
Human rights (LGBT, minorities, disabled persons)	58	21
(Election) debates between gov't and opposition on local issues	62	20
Local institutions (parliament, live sessions, etc.)	65	17
Memorials/obituaries	72	11

(2) The second aspect assessed interest in the existence of a local media outlet to cover these issues. The respondents showed the most interest in outlets that would report on security – criminal, personal safety (31%), town history/local heritage and local events (29 percent each), local cultural events (28%), and sports and humanitarian issues (27%). The percentage of those polled who reported being indifferent to these issues ranged from 32% for the weather forecast to 68% for memorials and obituaries. As

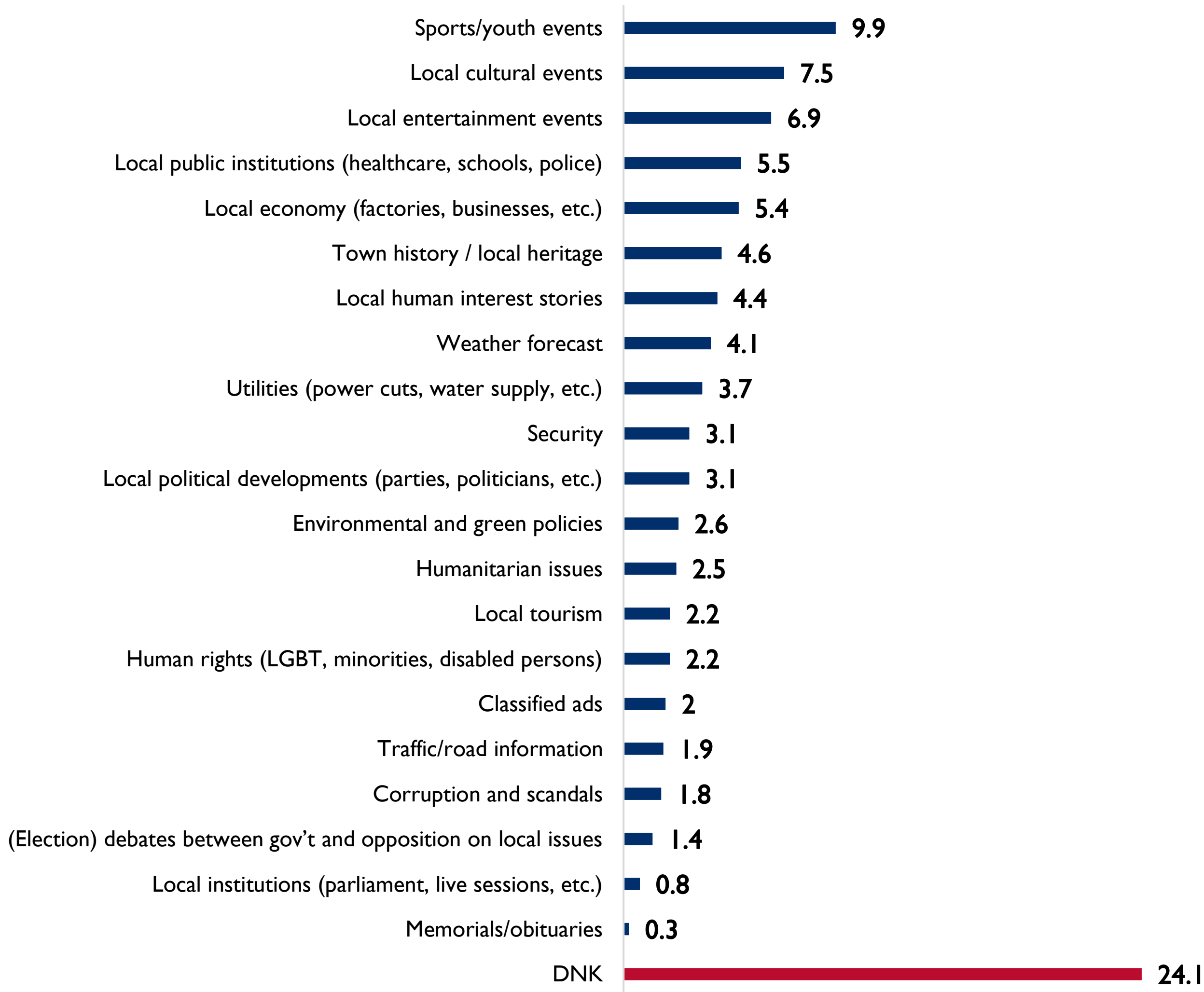
expected, 43% of those polled claimed there were already outlets that published weather forecasts, followed by those that reported on road conditions and traffic (37%) and local public institutions (36%).

Table 4.2.4.2. *Interest in media covering topics of interest to respondents* (%)

Local topic	No, indifferent	There is already such an outlet	Yes, I would like there to be such an outlet
Security	**40**	**29**	**31**
Town history / local heritage	**42**	**29**	**29**
Local entertainment events	**38**	**33**	**29**
Local cultural events	**37**	**35**	**28**
Sports/youth events	**40**	**33**	**27**
Humanitarian issues	**44**	**29**	**27**
Environmental and green policies	**47**	**27**	**26**
Utilities (power, water, etc.)	**35**	**39**	**26**
Local public institutions (healthcare, schools, police)	**38**	**36**	**26**
Local economy (factories, businesses, etc.)	**43**	**31**	**26**
Local tourism	46	29	25
Weather forecast	32	43	25
Traffic/road information	39	37	24
Local human interest stories	48	28	24
Human rights (LGBT, minorities, disabled persons)	56	25	19
Corruption and scandals	57	24	19
(Election) debates between gov't and opposition on local issues	59	24	17
Classified ads	53	32	15
Local political developments (parties, politicians, etc.)	53	32	15
Local institutions (parliament, live sessions, etc.)	59	29	12
Memorials/obituaries	68	22	10

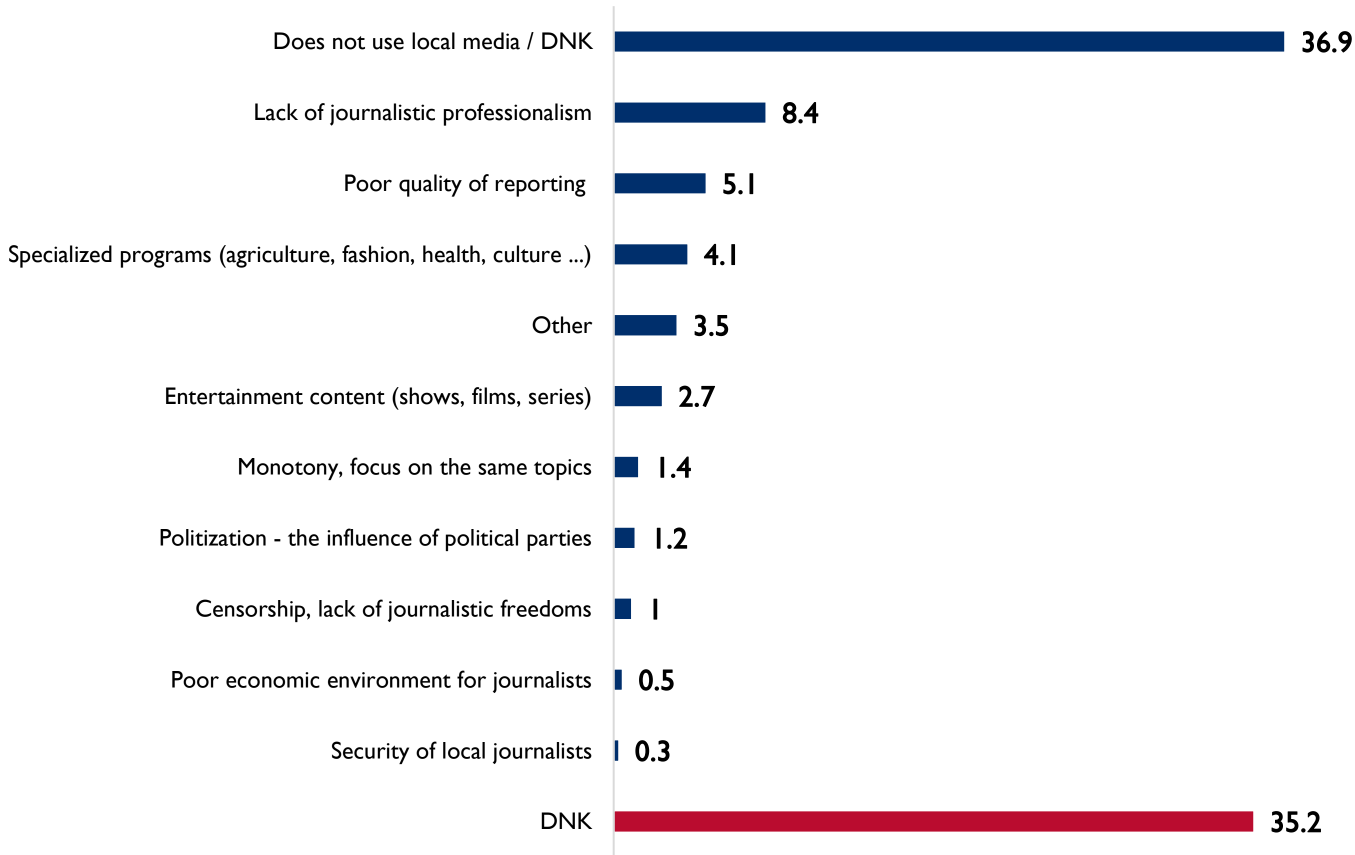
The final question was designed to capture one issue that the respondents were the most interested in and would like to see reported by community media. Here, most of those polled (24%) said they did not know or could not answer the question, a consequence of the fact that some respondents were either not interested in these media outlets or did not have access to them in their area (such as in Belgrade). One in ten respondents (9.9%) cited sports and youth events, while slightly fewer (7.5%) mentioned local cultural events. These were followed by local entertainment events (6.9%), information about local public institutions (5.5%), local economy (5.4%), town history/local heritage (4.6%), local human interest stories (4.4%), weather forecast (4.1%), utilities (3.7%), security (3.1%), local political developments (3.1%), environmental and green policies (2.6%), humanitarian issues (2.5%), local tourism and human rights (2.2%), and classified ads (2%).

Chart 4.2.4.2. *Topic of greatest interest respondents would like to see covered by community/local media (%)*



All of the questions above were closed (i.e., a list of issues for respondents to choose from was provided). The final chart reveals what respondents feel is missing from community media. The findings show what could be the possible challenges in formatting local media, since as many as 37% of those polled do not use these outlets, and more than one-third did not know or had no opinion, which suggests that these respondents were unable to articulate their expectations. The commonest responses were, firstly, lack of journalistic professionalism (8.4%, or 30% of local media users) and bias and subjectivity on the part of journalists. Secondly (with 5.1%, or 18% of local media consumers), there are poor quality reporting and lack of responsiveness. Fewer than one-fifth of those polled (4.1%, 14% of consumers) reported that local television channels lacked specialized shows (farming, fashion, health, culture, etc.). a small portion of those polled (2.7%, or 10% of local media users) believed entertainment was missing (such as shows, films, and series). Very small percentages of respondents complained about the lack of variety that came from constant focus on the same topics, towns, and people (1.4 and 5 percent, respectively), politicization (1.2 and 4 percent, respectively), and censorship (1% and 4 percent, respectively), with negligible numbers citing journalists' poor incomes (0.5 and 2 percent, respectively) and the safety of local reporters (0.3 percent and 1 percent, respectively).

Chart 4.2.4.3. *What is missing from community/local media?* (%)



The extreme political polarization of community media is the key factor driving respondents away, an issue particularly pronounced for TV programming, the focus groups concluded. The discussions clearly got to the heart of the issue, namely the deep disillusionment with and mistrust of these media. The political occupation of community media by the regime has, therefore, taken away any hope from local residents of ever being able to access a high-quality, unbiased media outlet.

> Respondent from Kragujevac, referring to local media: 'There are no professionals in our local media. The people of Kragujevac are frightened. Independent journalism is long dead'.

Focus group participants agree that professional staff are of fundamental importance for the quality of local media. In Kragujevac and Zaječar, the respondents cited examples of former staff of local media outlets who have been 'removed by privatization and political repression'. Another major factor is the interaction between media and members of the public, and the outlets' openness to sincere communication with local residents. Respondents believe that allowing viewers or listeners to phone in during a live broadcast was a direct indication of how open a show was to important issues. Shutting out members of the public (who may think differently) from local media, not allowing dissenting voices to be heard, and not covering issues faced by local residents were seen by focus groups as examples of censorship.

Key findings:

- → The percentage of respondents who find community/local media important ('a lot' and 'very much') is fairly low at 12%. This does not necessarily mean that all respondents believe local media are immaterial: some regions lack these outlets altogether (such as Belgrade), while in other areas they may not report appropriately about local issues or simply may not be viewed as important, such as they are, for the local community;
- → Topics that community/local media could pay more attention to are: weather forecasts, utilities, local cultural events, local entertainment events, local history, public institutions, sports, security, traffic, and the local economy;
- → The survey showed that recognizable local media outlets (in terms of reach and long-term presence) are used to access information about local topics. The findings also revealed local issues are covered to a great extent by the public service broadcasters, the RTS and the RTV; and
- → Looking only at answers provided by respondents who reported using community/local media, more than half of all criticism directed against these outlets was due to their poor reporting, lack of journalistic professionalism, low quality content, and lack of variety. The focus groups also revealed that community media still mattered to the local communities, but that most outlets were regarded as biased and subjective.

4.2.5. Media identity and audience: involvement of the media in the day-to-day life of the community

The role of community/local media is inextricably linked to their involvement in the everyday life of their community. Our starting assumption for this section was that a sense of belonging to the local community strengthened the feeling that a media outlet was needed to both report on developments in the community and reflect its spirit and needs.

But how do respondents actually feel a sense of belonging to a local community? What matters to them, what do they hold dear, what do they insist on? The first major conclusion here is that almost no respondents felt unable to answer this question (as reported by between 1 and 4 percent), suggesting that these topics are regarded as highly important. Secondly, respondents expressed a deep sense of closeness with their fellow local residents: 61% of those polled said this mattered greatly to them. A slightly lower but still considerable proportion (58%) reported always being willing to get involved in activities that would benefit the community.

By contrast, exactly half of those polled agreed with the statement that they 'could not wait to return' when away from their hometown, speaking to the strength of their local connections. Slightly fewer than half (48%) agreed they found it important to say they came from their home city or town when introducing themselves, with the same percentage claiming they wanted their children to also live in the city/town.

Table 4.2.5.1. Attitudes towards the local community (%)

Statement	Does not know, cannot tell	Disagree	Neither agree nor disagree	Agree
When I introduce myself, I find it important to say I come from this city/municipality	2	27	23	48
I feel a close affinity with people from this city/municipality	1	15	23	**61**
When I am away from this city/municipality, I cannot wait to return	2	23	25	50
I would like for my children to also live in this city/municipality	4	26	22	48
I am always ready to get involved in activities that will contribute to the welfare of my community	3	15	24	**58**

We followed up on this question by presenting six statements describing possible attitudes towards the media market, public interest, and relationship with the local community. Two key findings emerged. Firstly, 57% of those polled agreed that 'There must be a local media outlet in every town to provide essential information to the residents because this is in the public interest'. This piece of data stands in contrast to the statement that 'In a world were information is at your fingertips, local media outlets are absolutely unnecessary', supported by 40% of those polled. Secondly, respondents seemingly give less priority to political issues, with 52% agreeing with the statement that 'When choosing media outlets, I only look at the quality of their content, I am not interested in their politics'. On the other hand, opinions are balanced in terms of the role that should be played by market forces. Here, 36% of those polled agreed that 'The media market is free and only well watched/listened to/read outlets ought to survive', but, at the same time, 34% affirmed that 'The media market is unstable and I would always support quality media if their survival depended on my help'.

Nearly two-fifths of all respondents (38%) disagreed with the statement that a media outlet should reflect the political views they held, one-third had no opinion, and 30% believed political views mattered.

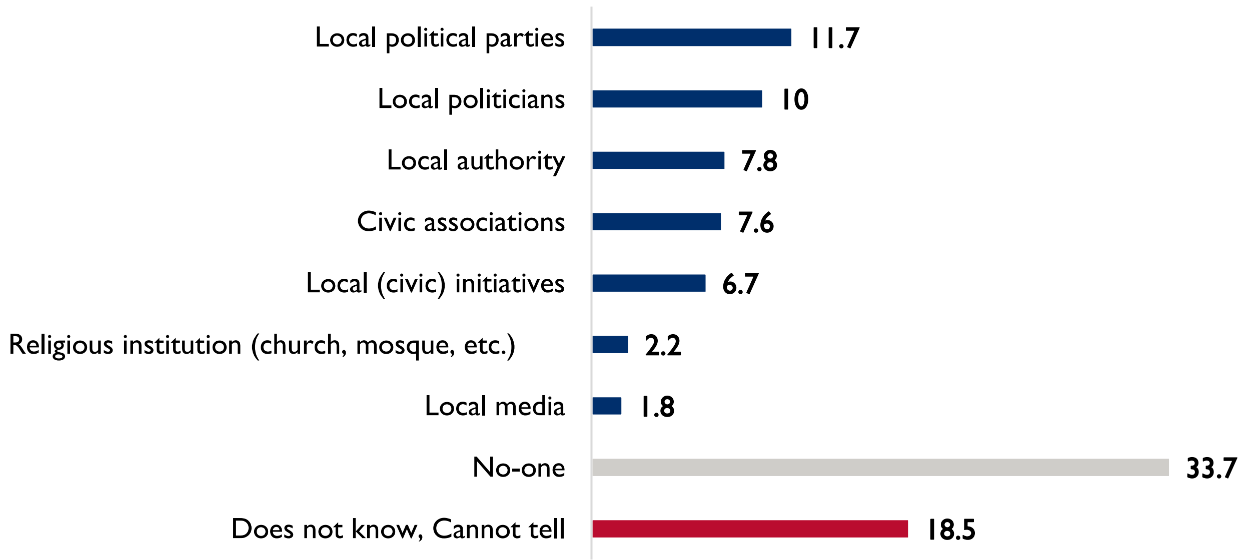
Table 4.2.5.2. Attitudes towards community media (%)

Statement	Disagree	Neither agree nor disagree	Agree
I find it important that a media outlet reflects political views I hold	38	32	30
When choosing media outlets I only look at the quality of their content, I am not interested in their politics	22	26	**52**

There must be a local media outlet in every town to provide essential information to the residents because this is in the public interest	17	26	**57**
In a world were information is at your fingertips, local media outlets are absolutely unnecessary	40	33	27
The media market is unstable and I would always support quality media if their survival depended on my help	24	42	34
The media market is free and only well watched/listened to/read outlets ought to survive	26	38	36

Public interest can be represented by a variety of local stakeholders. When asked who best supported the interests of the local community, one-third of those polled answered that no one did so, a telling response in the context of poor trust in political institutions. Slightly fewer than one-fifth (18.5%) responded they did not know or could not tell. By contrast, 12% cited political parties, 10% expected local politicians to represent them, and 8% each mentioned local institutions and civic associations. Local initiatives and religious institutions came last.

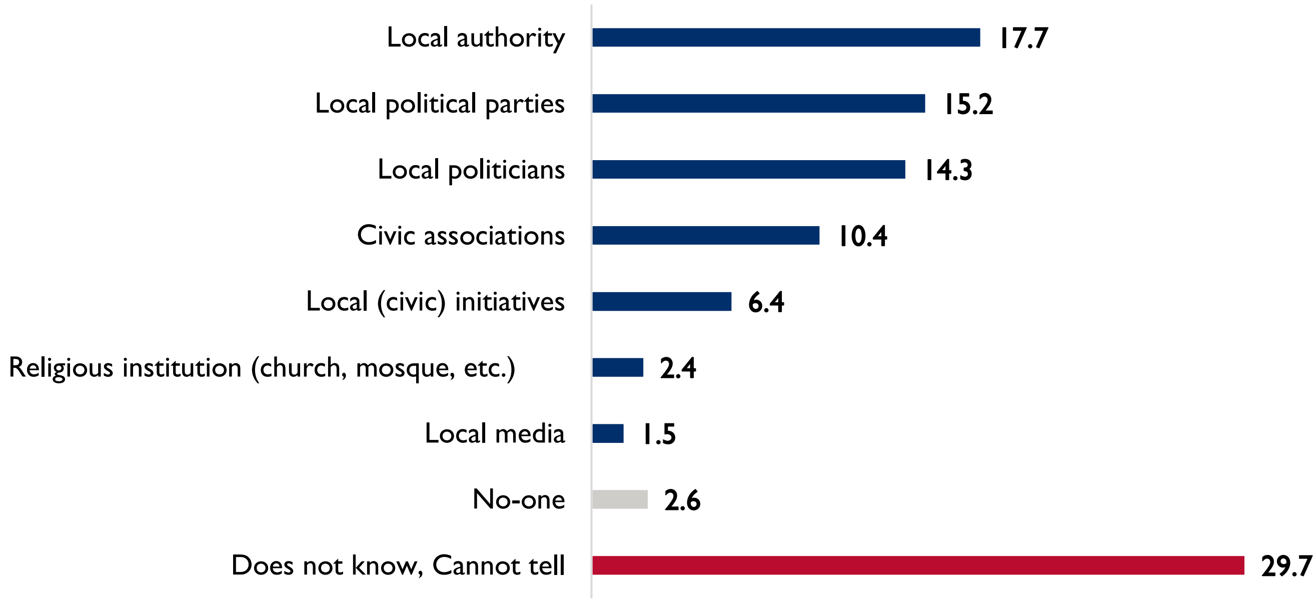
Chart 4.2.5.3. Who best represents the interests of your local community? (%)



Finally, we asked respondents about who it was that ought to represent their community's interests. Chart 3.2.5.4 shows that the greatest proportion of those polled (30%) did not know or had no opinion. Here, the respondents were aware that local institutions had the greatest responsibility in this regard, as noted by 18% of those polled. Local political parties came second (with 15%), and local politicians third (14%). One in ten believed civic associations should stand up for local interests, and 6% felt the same for local (civic) initiatives. Few respondents cited religious institutions (2%) and local media (1%).

On a more general note, about one-third of those polled supported the direction in which the ruling Serbian Progressive Party (SNS) was taking the country, one in five were opposed, with one in two 'on the fence', disagreeing with both options.

Table 4.2.5.4. Who should represent the interests of your local community? (%)



Even though the quantitative survey did not reveal this to a significant extent, politics proved to be a major issue in focus group discussions, especially for more frequent users of the internet and local media. The focus groups showed that the Serbian public mainly consumes media perceived as objective or leaning towards the opposition, as well as RTS. There is a deeply held belief that any media outlet, however small it may be, will be penalized and shut down by the regime if it attempts to show dissent or be objective. In addition to social networks, respondents commonly use web sites (such as *Pištaljka* and *Gerila*) and watch YouTube shows (including Balkan Info and a variety of podcasts) that offer 'raw' information from which the audience can draw their own conclusions.

Focus group participants very clearly demonstrated a generalized sense of apathy, disbelief, and doubt about the likelihood of any political or broader social change in Serbia. These views are based in respondents' long-standing experiences with the political situation in Serbia. The beliefs also impact the public's willingness to interact with local media and pay for sustainable and quality outlets.

Key findings:

→ All future media outlets will have to consider which topics they bring up, how involved they are with the local community, and how supportive they are of local initiatives. It ought to be noted that different regions have different preferences for community/local media concepts;

→ 'Introverted' media outlets not ready to open up to their audience, communicate with it, or be receptive to public views can hardly count on any serious support from the local community;

→ Respondents held their local communities, hometowns, and habits in high regard. This made them open to local initiatives but did not necessarily mean they were ready to (financially) help local media;

→ It is important to have a local media outlet, or an outlet that would report on major local topics. Its politics matter less than its content, which should reflect the needs of the local audience;

→ Public opinion is divided in terms of the relative importance of market and public interest: 36% of those polled agreed that the market was free and that only outlets that were well watched/read/listened to should survive, with 34% also claiming that the market was unstable and they would always support quality media under threat; and

→ About one-third of the respondents could not identify stakeholders that would best represent their local interests. Those who did respond cited a wide variety of actors, from parties and initiatives to associations to local institutions.

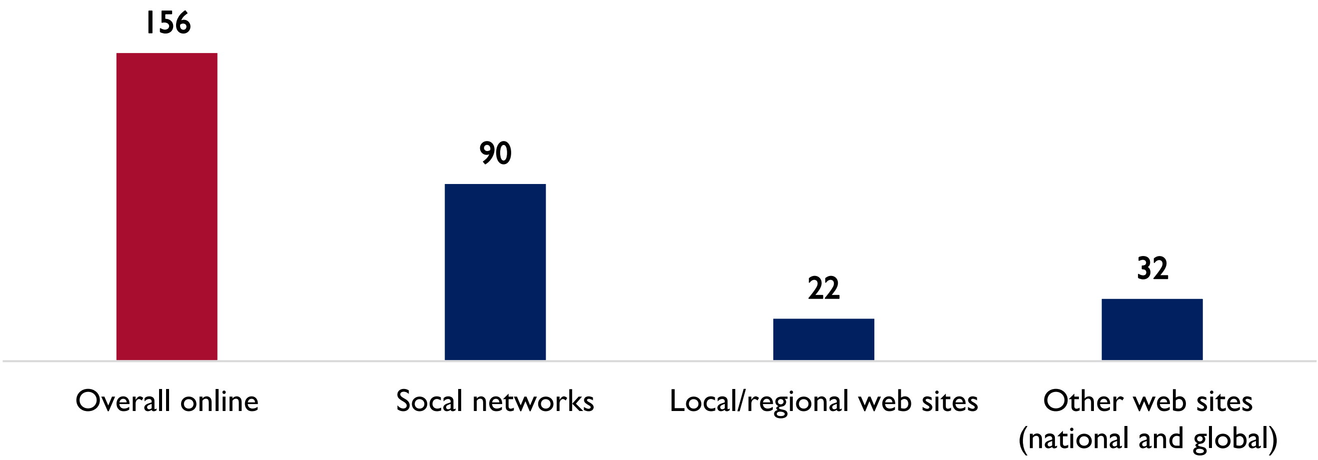
4.2.6. Online audience: Case Study

As the most important segment of this research was devoted to online (and local) media, we constructed a quota sample of 100 respondents who were asked to complete identical questionnaires every day for seven days. This section will present a detailed description of the habits and behavior of the online audience.

Internet use in general

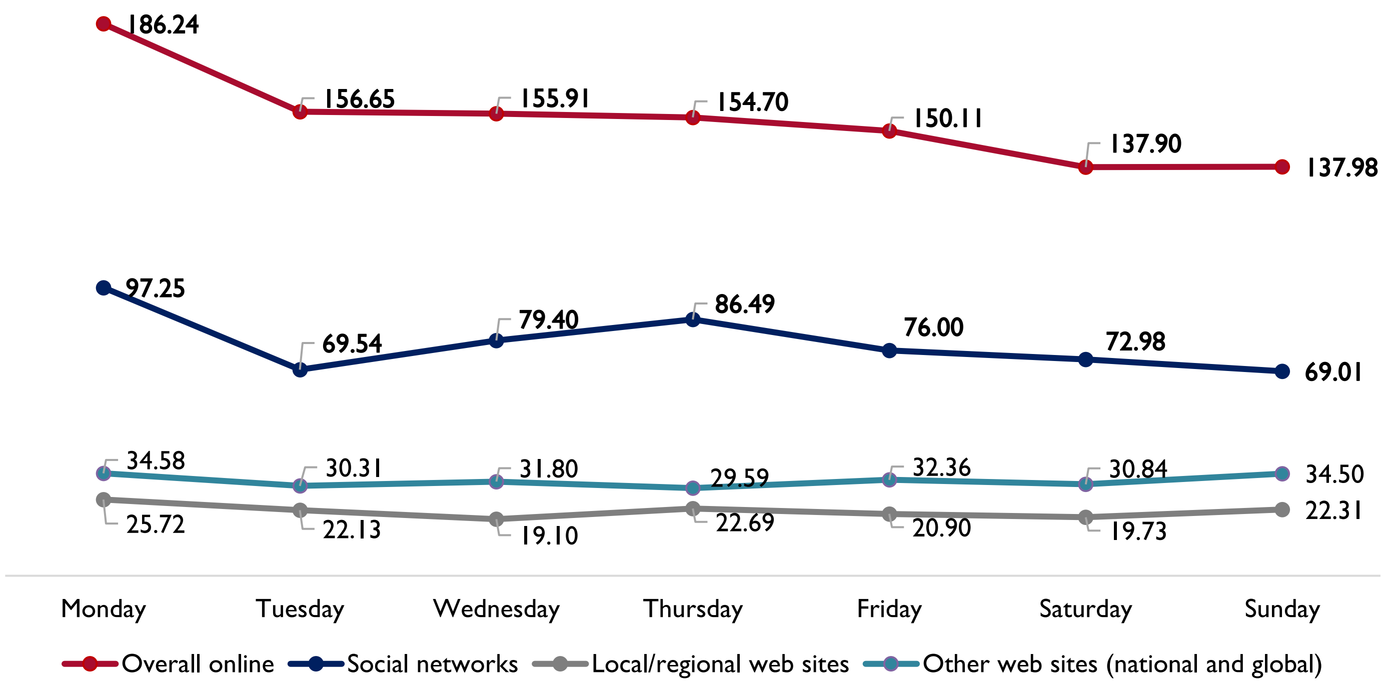
Respondents were first asked how much time they had spent online in the preceding 24 hours. The average was 156 minutes spent online each day. Of this, social networks accounted for about 90 minutes, local or regional web sites or portals for 22 minutes, and other web sites (both national and local) for 32 minutes.

Chart 4.2.6.1. *Time spent online over preceding 24 hours and share of time spent on social networks and national, local, and regional web sites, portals, and forums* (minutes)



The respondents reported spending the most time online, in general, on Mondays. A similar trend is evident for social networks, which the respondents also used most extensively on Mondays. Use of local, national, and foreign web sites was mostly consistent throughout the week. Interestingly, time spent online declined as the week progressed, including over the weekend.

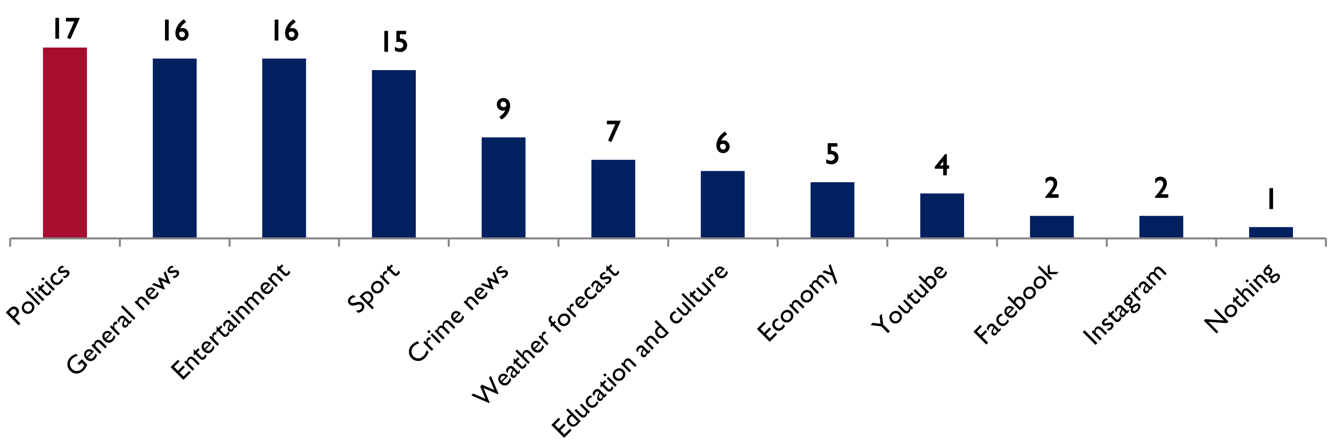
Chart 4.2.6.2. *Time spent online over preceding 24 hours and share of time spent on social networks and national, local, and regional web sites, portals, and forums* (by day, minutes)



What is read and watched online?

The respondents were then asked to say which content they first turned to at the start of their day. As seen in Chart 4.2.6.3, this was mainly politics: political news, video features and interviews, political analyses, and the like, as reported by 17% of those polled. Another 16% reported starting their day with entertainment content, such as celebrity stories, music, fashion, recipes, horoscopes, funny videos, trivia, etc. Sports (matches, match reports, sports trivia) and general news, including general media use, current affairs, and utilities information, were the first daily content for 15% each of those polled. Crime news were cited by 9% of all respondents. Eight percent claimed they started their day with social networks (YouTube, Facebook, and Instagram), while 7% cited the weather forecast. Education and culture (science, online books, cultural events, etc.) were the day's first online content for 6% of all respondents. Four percent mentioned business columns and economic analyses, with 1% claiming they did not read any content.

Chart 4.2.6.3. *What was the first specific content you read/watched online today?* (%)



Most respondents reported spending the most time on the *Blic* web site in the preceding 24 hours (as mentioned by 16% of those polled). A total of 8% of all respondents claimed to have spent the most time watching YouTube, and an identical percentage said the same of Facebook. N1 accounted for 7% of all responses. Instagram and B92 were each mentioned by 5% of those polled, with *Danas* and *Kurir* each accounting for 4%. A wide variety of responses were made, but the most visited sports web site was Mozzart Sport, and the most used local outlets were Ok Radio, Mitrovica Info, and VA Media. The non-news sites attracting the most users were polovniautomobili.com (used car classifieds), and AliExpress. Focus group participants mainly claimed to be reading daily newspapers and weeklies online more often than in print. News, politics, and current affairs information mainly came from *Kurir*, *Blic*, *Novosti*, Sputnik, Beta, *Alo*, *Informer*, *Danas*, and *NIN*. Also cited were the web sites of N1, Mondo, and Peščanik, and a number of regional and local web sites. Internet content is also often accessed via social networks, as also borne out by the quantitative findings of the survey. In doing so, the respondents were able to draw on information from a variety of sources they selected and saw as relevant.

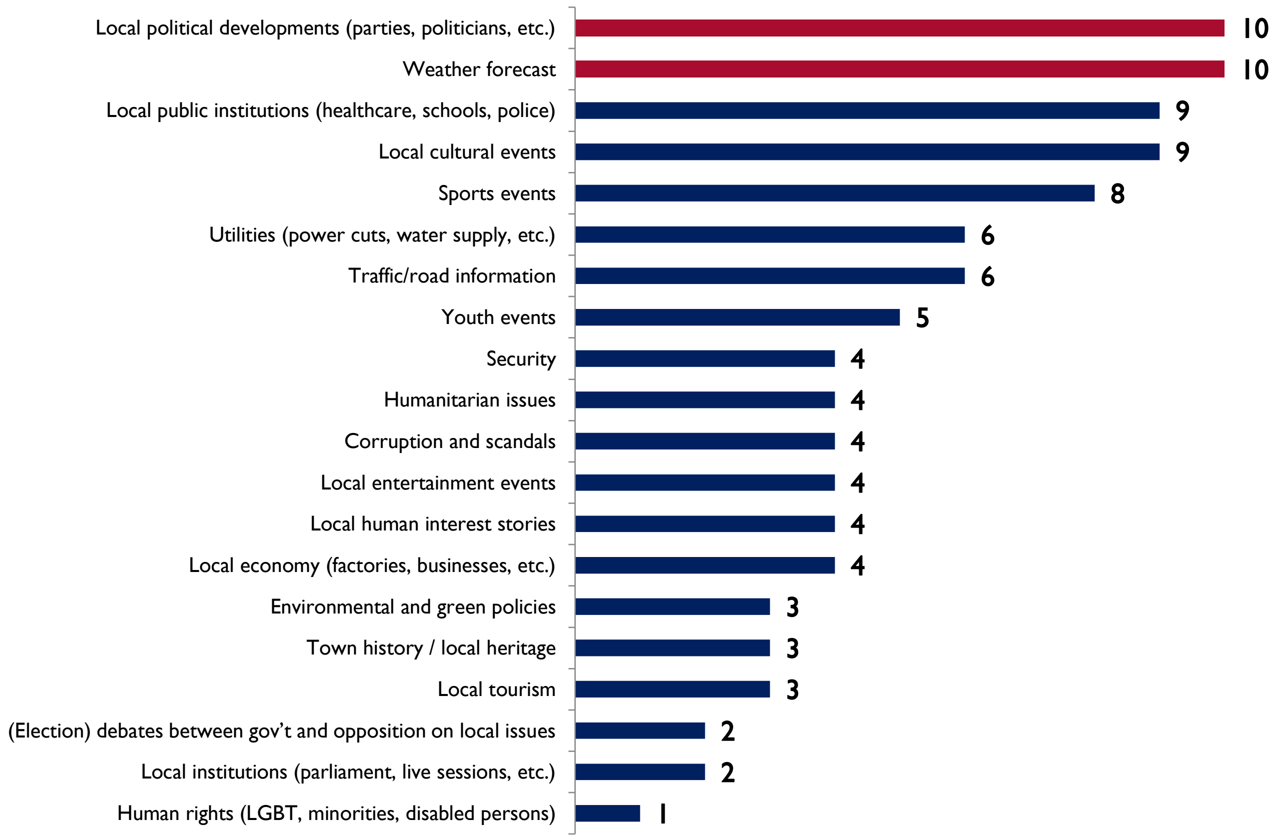
Participant from Novi Sad, referring to YouTube: 'YouTube is an excellent source of information if you know what you're looking for'.

Young focus group participants were particularly heavy Instagram users.

Participant from Novi Sad, referring to Facebook: 'Sometimes all you need to do is go on Facebook and see what people are sharing there to understand what's going on that day'.

The respondents were asked whether they had visited local media web sites or portals within the preceding 24 hours, and, if they did so, which of these they spent the most time on. About one-half of all respondents reported visiting local media, with their answers varying widely. OK Radio was cited the most commonly, by a total of 5%. Other outlets that attracted more than 2% of the votes, in order of frequency, were Pančevo 013 info, Ozon Press, *Pirotske Vesti*, Mitrovica Info, *Kolubarske*, SO Info, Info KG, Zaječar Online, Prokuplje na Dlanu, Radio Magnum, Krug, Loznica Info, I Love Zrenjanin, *Niške Vesti*, and RTV Stara Pazova. Political news and weather forecasts (with 10% each) were the most popular types of content over the preceding 24 hours, as reported by the respondents. Information about local public institutions (healthcare, schools, police, etc.) and local cultural events received 9% of the votes each. Also commonly cited were traffic information, utilities, and youth events (see Chart 3.2.6.4).

Chart 4.2.6.4. *Which of the following types of local content (relevant for your city or region) did you access online in the last 24 hours?* (%)

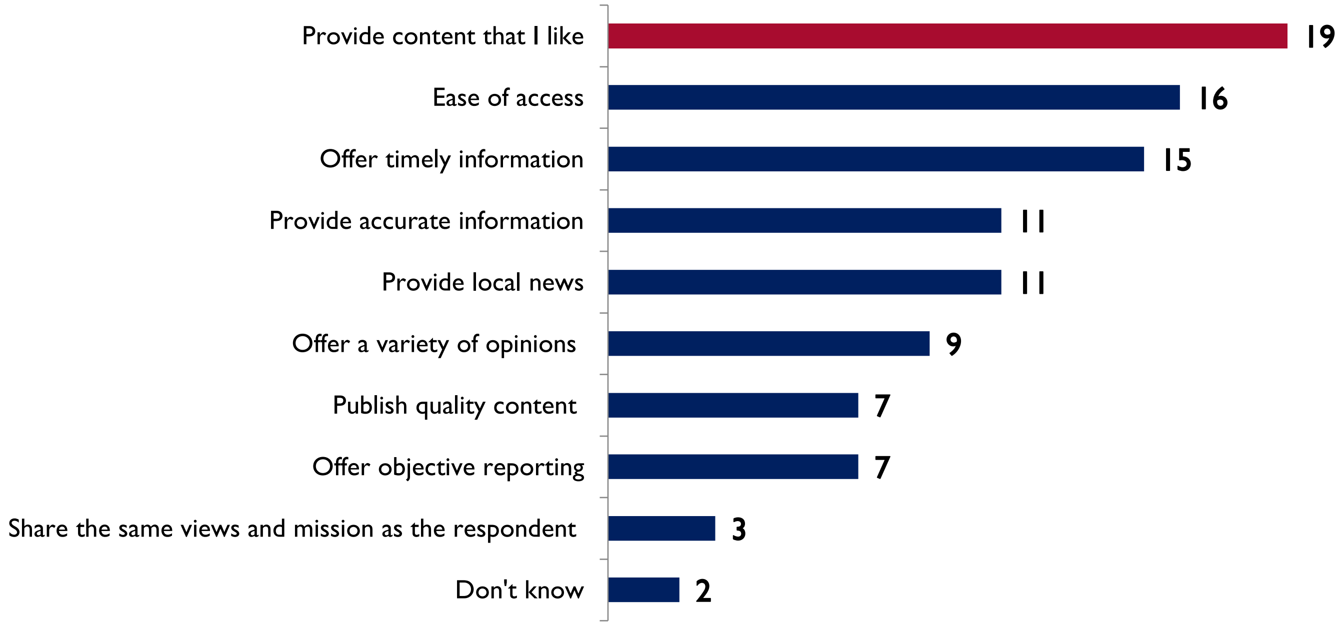


One-fifth of those polled (20%) reported local web sites did not publish a type of content they would like to access. By contrast, 44% claimed no such stories were missing, while 36% could not answer. One fifth each (20%) of respondents who felt content was missing cited accurate news and cultural events (Chart 3.2.6.5). Political debates were seen as needed by 15% of those polled. One percentage point fewer (14%) mentioned utility information. Six percent each felt more human interest pieces from all parts of Serbia, feature stories, and historical events were needed. Three percent each cited local human interest stories, business, and information aimed at young people, while 2% mentioned health topics. Focus group participants mainly said they turned to local media for utility and services information. Moreover, they claimed professional journalists were a major factor in the quality of these outlets, adding that the absence of seasoned reporters was why trust in local media was at an all-time low.

Chart 4.2.6.5. *What do you miss in local media but would like to know more about? (%)*

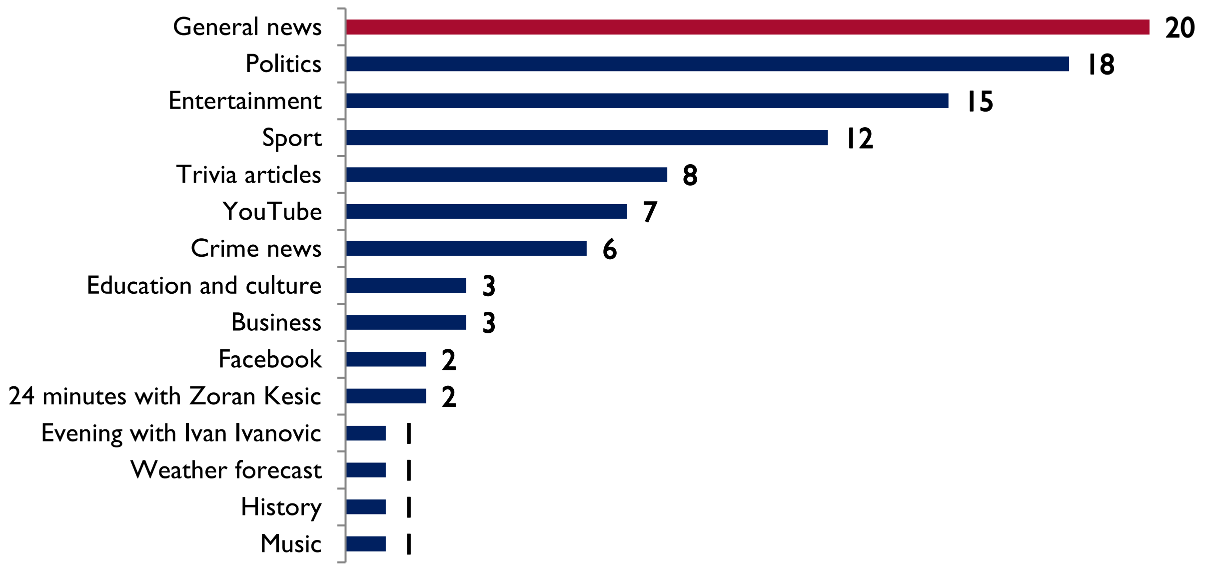
When asked about why they chose the web sites or forums they visited, most of those polled mentioned they had done so because these outlets offered content the respondents liked (as reported by 19%). By contrast, slightly fewer respondents (16%) claimed to have done so because of ease of access, while one in seven noted the online media offered timely information. The respondents also claimed to visit some web sites, portals, and forums because they provide local news or accurate information (11% each), offer a variety of opinions (9%), publish quality content (7%), offer objective reporting (7%), and share the same views and mission as the respondent (3%).

Chart 4.2.6.6. *What were the main reasons for choosing the web portals/sites/forums you visited today?* (%)



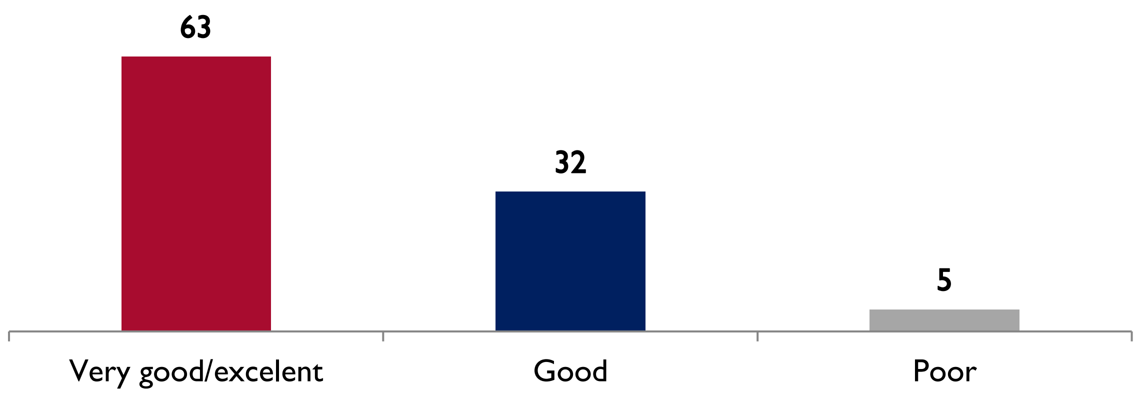
More generally, when asked about content they consumed (as distinct from content accessed first in the course of a day), most respondents reported reading/watching news (20%) and political features (18%). A somewhat lower percentage cited entertainment (15%), with one in eight mentioning sports (12%). Slightly fewer than one in ten of those polled said they had read/watched this content on social networks such as YouTube (7%) and Facebook (2%), with a little fewer claiming to have read trivia articles or watched funny videos (8%). Altogether, slightly more than one-tenth of those polled mentioned crime (6%), business (3%), and education and culture (3%).

Chart 4.2.6.7. *Could you please name two specific features you read/watched online in the last 24 hours?* (%)



Respondents awarded an average score of 3.8 to content consumed within the preceding 24 hours. The majority of respondents, 63%, awarded 4s and 5s (on a scale from 1 to 5, with 1 being worst and 5 best). By contrast, very few of those polled (5%) claimed online content was poor quality. Nearly one-third (32%) believed the content accessed within the preceding 24 hours was satisfactory.

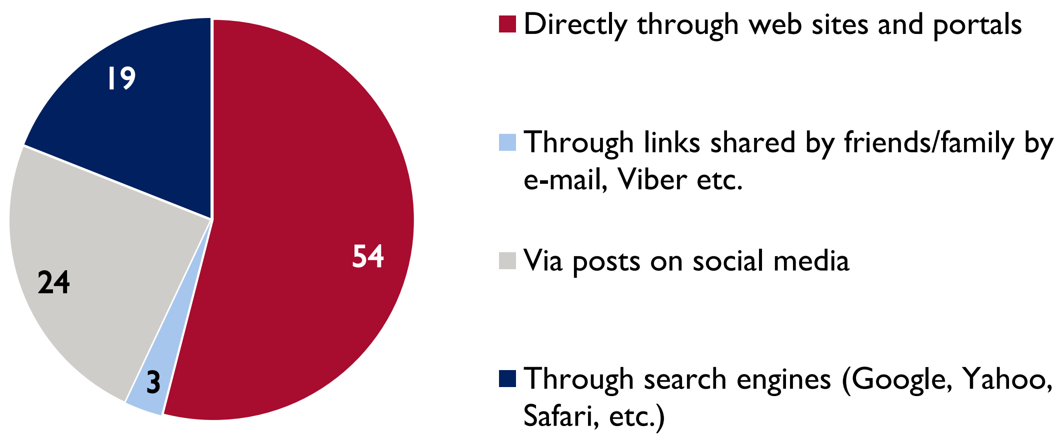
Chart 4.2.6.8. *Score for quality of media content consumed online within past 24 hours* (%)



Accessing online content

The greatest proportion of those polled (54%) reported accessing online content directly on the web sites or portals involved. Conversely, nearly one-quarter (24%) did so via posts on social media. Slightly fewer than one-fifth of the respondents (19%) claimed to find content by using search engines (Google, Yahoo!, Safari, etc.), while a small percentage (3%) reported clicking through links shared by friends and family members by e-mail, Viber, or otherwise.

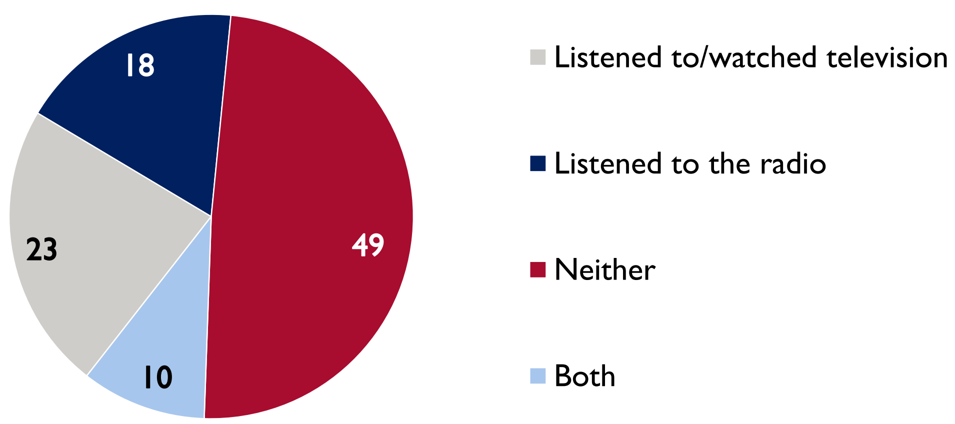
Chart 4.2.6.9. *How did you most often access online content?* (%)



Multiple media use while online

We asked the respondents whether they had listened to the radio or watched/listened to television while surfing the internet over the preceding 24 hours. Most of those polled (49%) claimed not to have done either. Slightly less than half of the respondents reported having listened to the radio (18%) and listened to/watched television (23%) while online. One in ten said they had done both.

Chart 4.2.6.10. *When online in the past 24 hours, did you…* (%)



Paid content

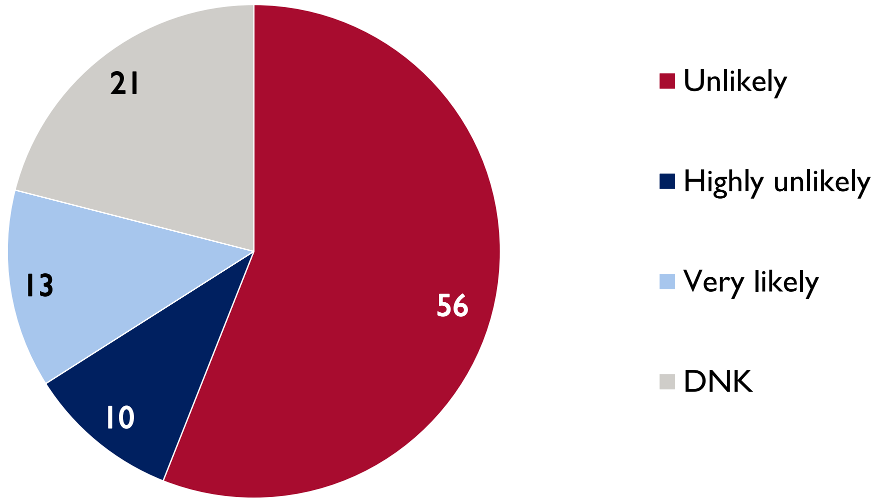
On the last day of the survey, respondents were asked three additional questions.

Most of those polled (93%) reported not having paid to use content online within the preceding year, while the remainder (7%) said they had done so, for content such as Netflix, other video services, Deezer, Time, music, and sports.

The vast majority of all respondents (98%) claimed not to have paid for or otherwise supported a local media outlet in the preceding year.

Finally, about half of respondents (48%) answered it was highly unlikely they would pay for media content in the future, whereas slightly more than one-tenth (13%) claimed they would probably pay. One in ten of those polled they would not consider paying for media content, and slightly more than one-fifth said they could either not say or did not know whether they would pay for content in the future.

Chart 4.2.6.11. *How likely would you be to pay for media content in the future?* (%)



Key findings:

- → The respondents spent more time on social networks than on local, national, and global web sites and portals;
- → Internet use is greater on weekdays than on weekends, peaking on Mondays;
- → Respondents most commonly started their day with political news;
- → Respondents spent most of their time online on the *Blic* website and on YouTube and Facebook;
- → On local websites, the most commonly accessed content was local politics and weather forecasts. Respondents claimed accurate news and cultural events were missing from local media;
- → General news and politics were the most watched/read types of features. This shows that citizens who are regular and dedicated internet users show an interest in and a desire for information and that the internet is used by them because they can, by using different sources of information, get the entire picture.
- → In the main, respondents were satisfied with the quality of content they accessed during the survey;
- → Most respondents said it was highly unlikely they would pay for content in the future, while 13% they were likely to do so; and
- → The vast majority of those polled – 93% – reported not having paid to access content online within the preceding year, with even more – 98% – not having done so for a local media outlet.

4.3. Payment for media content

This section will look more closely at how willing Serbians are to pay for media content. Here, our analysis will factor in their habits, experiences, and expectations of the content they pay for now or would be prepared to pay for in the future as well as the attitudes of citizens towards other types of support such as donations, subscriptions and the like. We will also examine community/local media, focusing here on support they may need if financially threatened.

4.3.1. Habits, experiences, and expectations

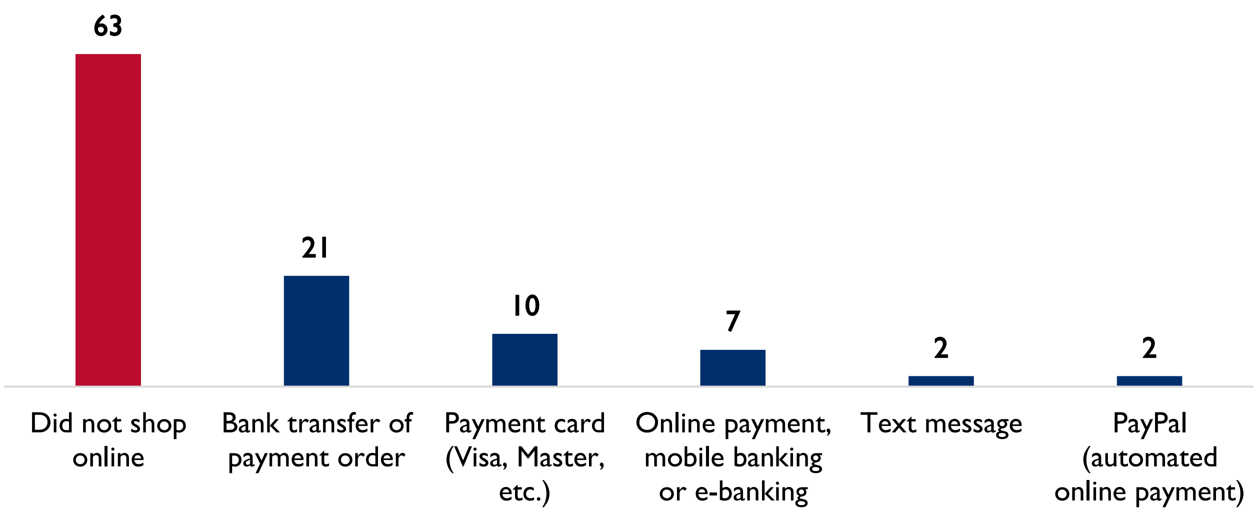
We began by investigating general online habits: how often respondents shopped online and paid for online content. The findings indicate that most Serbians do not shop online. As many as 64% reported not having bought anything online (including paying for media content) over the preceding year. Those who reported doing so mainly paid on two occasions in the preceding year (8%), followed by those who did so thrice (6%) and five and ten times (5% each).

Chart 4.3.1.1. *Online shopping in year to date?* (%)

Of those who shopped online, over one-fifth (21%) paid by bank transfer or money order, meaning they ordered products or services online but paid on delivert, at a brick-and-mortar bank or post office. One in ten respondents (10%) also paid online by Visa, MasterCard, or other payment card. The smallest proportion of those polled paid using PayPal (2%) or by text message (also 2%).

The findings of focus group discussions indicate that online shopping mainly involves paying cash on delivery. It must be noted here that respondents are, by and large, mistrustful of online payments (which they justify by their distrust of institutions), and so commonly opt to pay by bank transfer or money order. Paying online is more widely embraced by younger and wealthier respondents.

Chart 4.3.1.2. *How did you pay when shopping online?* (%)



The preceding section provided a brief introduction to respondents' online shopping and paying habits. For the next question, we allowed participants in the survey to report multiple types of content they may have paid for in the preceding year. The discussion below is based only on the answers of respondents who claimed to have paid for media content.

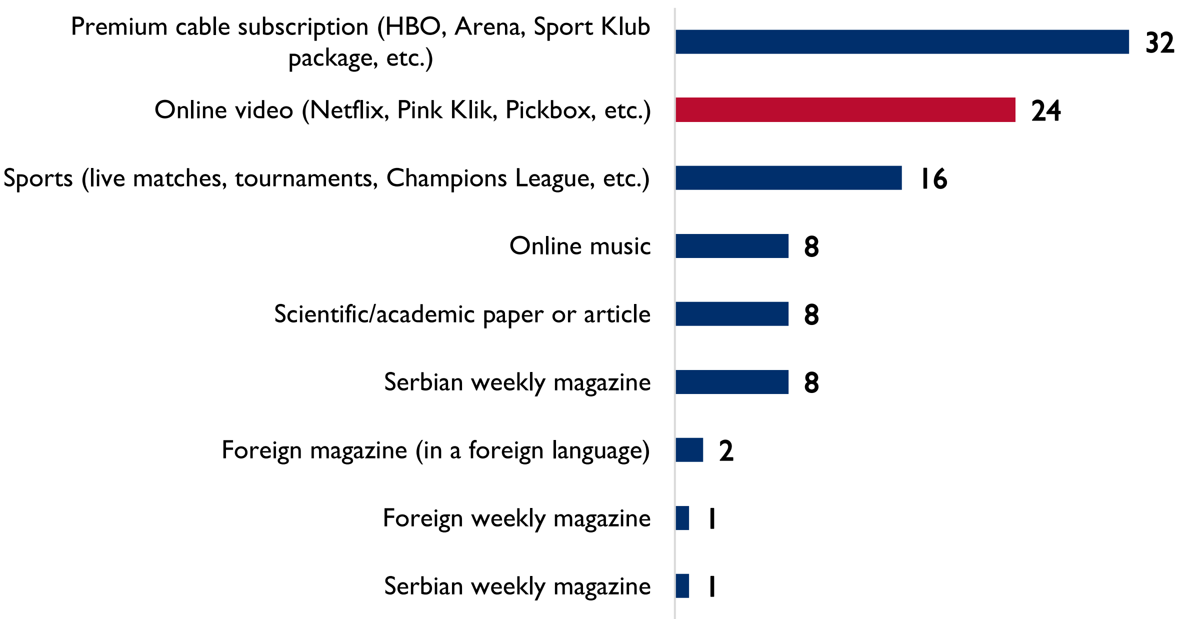
A total of 6% of those polled reported paying for media content, not counting basic cable subscriptions. Of these, one-third (32%) paid for premium cable content, including add-ons such as HBO, Arena, and Sport Klub. This was the content most respondents paid for over the course of the previous year. Online video was ranked second, with nearly one-quarter of all votes (24%); this included platforms such as Netflix, Pink Klik, and Pickbox. So, it's mostly about non-informational content.

Conversely, the popularity of print editions of daily newspapers and magazines is falling, with as few as 1% of those polled reporting having paid for a Serbian or foreign weekly magazine. The only exception was domestic Serbian-language magazines (8%).

What is the profile of the respondents who paid for content? They are more likely to be aged between 30 and 39, live in Vojvodina, and have university degrees. Interesting findings were obtained by cross-referencing these answers with responses to lifestyle questions. For instance, respondents leading consumerist lifestyles were more likely to pay for entertainment content. By contrast, interviewees who reported being more interested in saving money were over-represented among those who purchased science and educational features. Some correlation was also noticed for respondents who stated they purchased domestic magazines: they were more likely to say they purchased print editions of newspapers and preferred to spend their afternoons not consuming media.

The conclusions of focus group discussions were not materially different. Here, the low purchasing power and general mistrust of the media mean respondents were unwilling to pay either for access in general or for specific content. A number of participants from Belgrade and Novi Sad bucked this trend by saying they subscribed to Netflix, and one interviewee noted he subscribed to NBA games.

Chart 4.3.1.3. *Have you paid to access any of the following content within the last year?* (%)



4.3.2. Willingness to pay for content

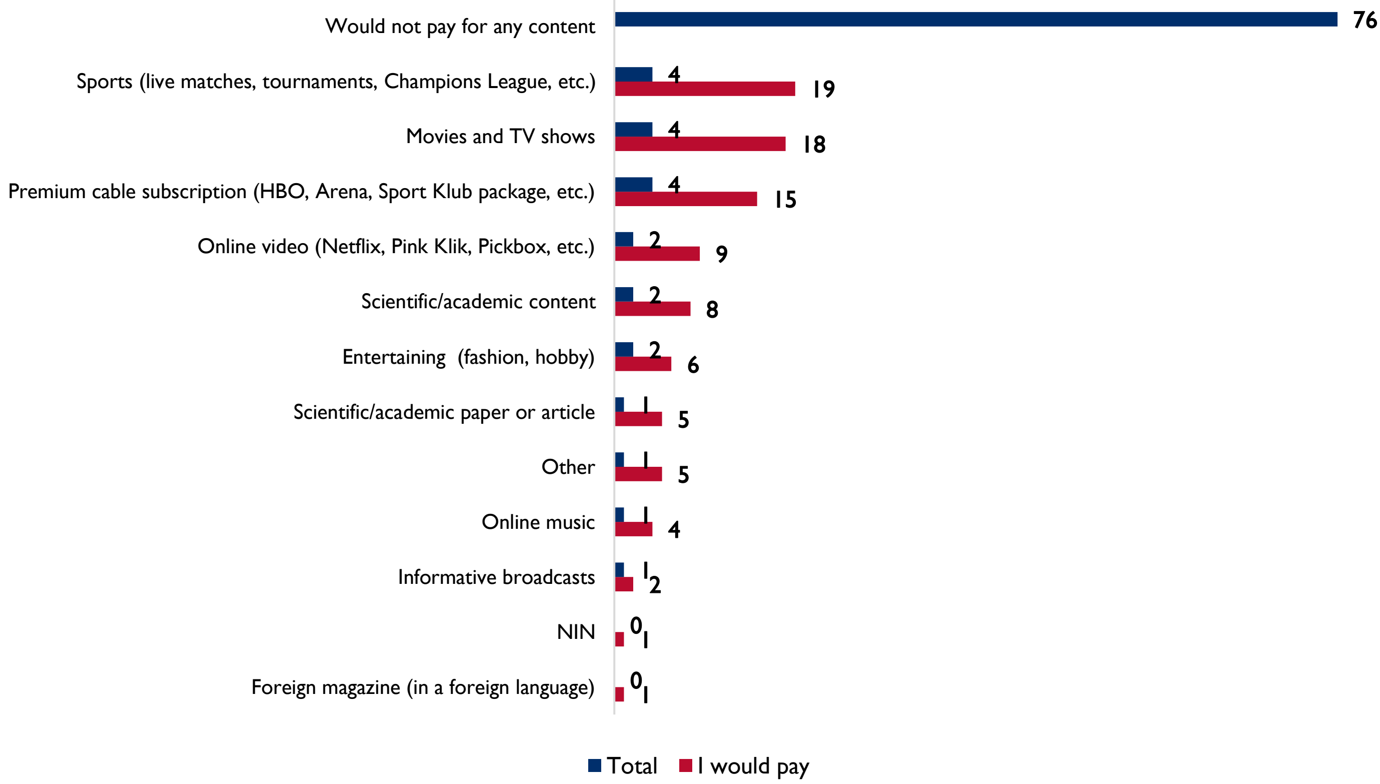
The next question looked at how willing the respondents were to pay for content in the future. Here we looked at which content they were willing to buy, how much they were prepared to pay, and how frequently they would be willing to make such payments.

To that end, participants were asked which content they would be willing to pay for in the future. The blue bars in Chart 4.3.2.1 indicate the total percentage of respondents who answered, while the red bars show the proportion of those who claimed to be ready to pay for the particular type of content in the future. We can conclude that most respondents (76%) would not be willing to pay for media content. As for those who reported being willing to pay (a claim made by 24%), 19% would pay for sports matches, competitions, and Champions League – in short, for sports broadcasts. Films and TV series come in a close second (with 18%), followed by premium cable television (at 15%) that includes add-ons such as HBO, Arena, and Sport Klub.

Who said they would be willing to pay for content? These were more likely residents of Western Serbia, highly educated, and aged 30 to 39. In addition, employed men living in urban areas were over-represented in this group.

Discussions with focus group participants seem to reveal the public cannot afford media content and are unwilling to pay for it. Those who reported being willing to pay mainly cited sports and 'objective' news and political reporting.

Chart 4.3.2.1. *Willingness to pay for specific media content* (%)

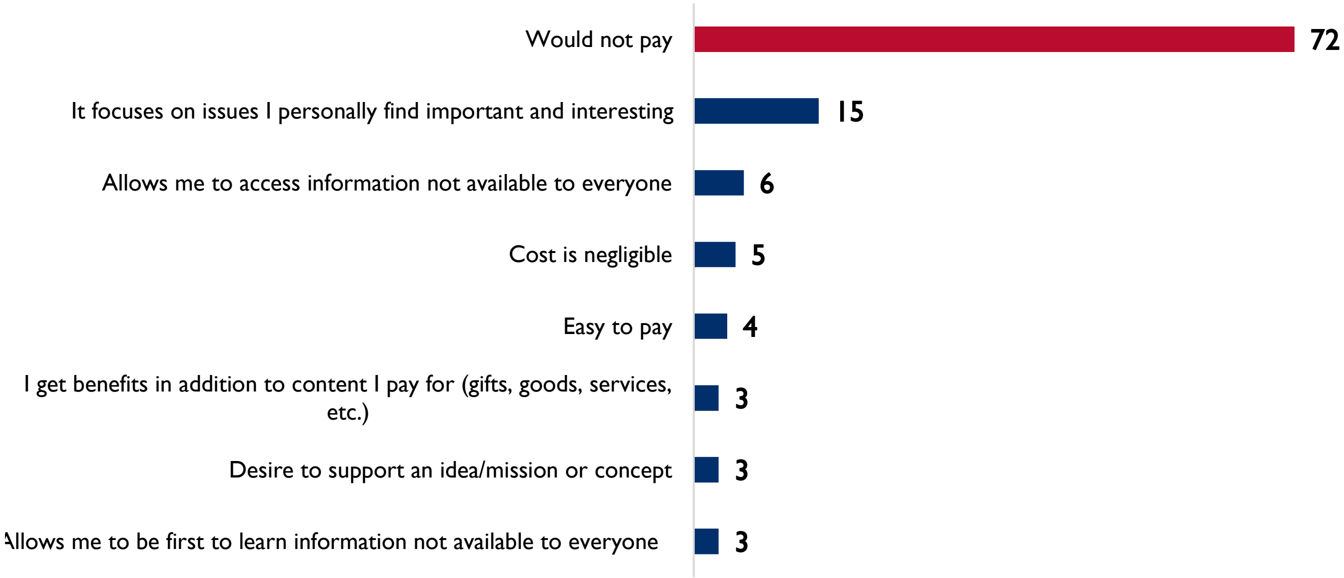


A more thorough understanding of how willing the public were to pay for media content requires looking at the reasons behind this willingness to pay.

In this regard, the conclusion is that the respondents remain mostly oriented towards free content. This is also borne out by the findings of focus group discussions, where participants claimed that the wealth of free content available online always allowed them to find relevant information, which was why most felt no need to subscribe to any additional services.

By contrast, those who cited specific reasons that would motivate them to pay for content primarily highlighted reporting on issues they felt were important and interesting (15%). This reason was more likely to be mentioned by employed respondents, residents of urban areas, and those aged between 30 and 39. Much fewer respondents said they would pay for exclusive information, or information that not everyone else had access to (6%). This reason was over-represented amongst residents of South-Western Serbia, the highly educated, and those aged 20 to 29. All other reasons were each cited by fewer than 5 percent.

Chart 4.3.2.2. *Reasons for being willing to pay for media content* (%)



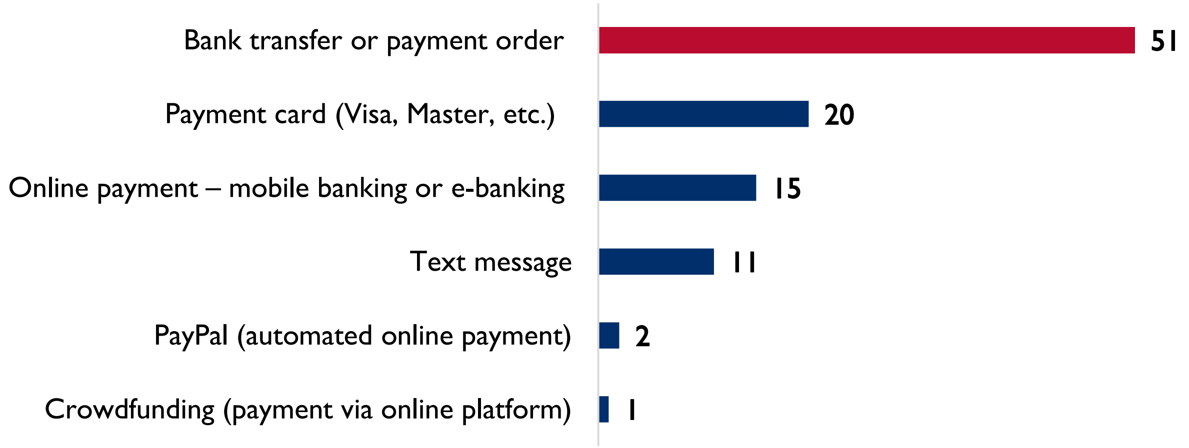
Of the one-quarter of those polled who claimed they would be willing to pay for content, more than one-half reported they could set aside up to 500 dinars (per month) for this purpose. This group is followed by those willing to pay from 500 to 1,000 dinars per month, with the remainder willing to pay more than 1,000 dinars. The average amount the respondents would be willing to pay for specific content is 894 dinars per month.

Most respondents (61%) would prefer to pay monthly, while nearly one-quarter would rather pay as and when needed (24%).

The greatest percentage of those polled (51%) reported that traditional (physical) payment by bank transfer or money order would be the most convenient payment option for them. This view was more likely to be shared by residents of South-Eastern Serbia, those with secondary school diplomas, and the oldest age group (60 to 65). One in five of those polled claimed they would prefer to pay by card, while another 15% felt mobile or e-banking was the most convenient. The latter two payment options were the most commonly cited by residents of Belgrade and those aged between 20 and 29.

Focus group discussions revealed somewhat different findings: here, the respondents cited text message or money order as the most convenient forms of payment.

Chart 4.3.2.3. *What would be the most convenient way to pay for media content?* (%)

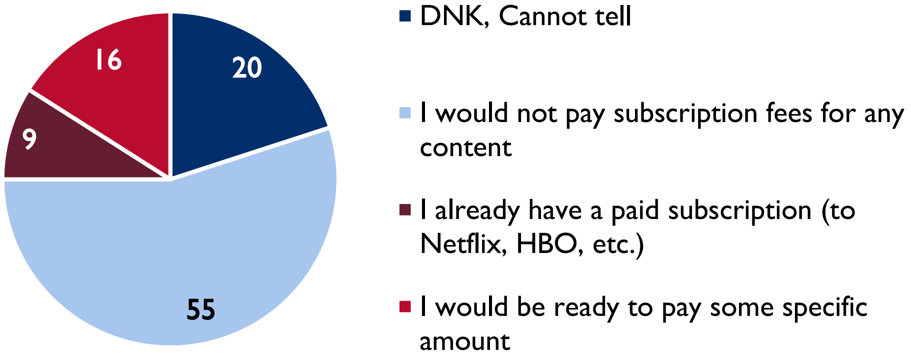


The final question in this section deals with loyalty, where we examined how willing respondents would be to keep consuming a media outlet if it became subscription based. Most of those polled (55%) reported being unwilling to pay subscription fees for any content, which means they could choose to stop consuming the outlet if it were to require payment. By contrast, one in 11 respondents (9%) reported already paying for services such as HBO and Netflix, and another 16% would be willing to pay for content they consumed regularly if it became subscription-only.

It is also important to consider how much the respondents would be willing to pay for content they consumed regularly assuming it introduced subscription fees. Here, most of those polled stated up to 500 dinars per month would be acceptable. Nearly one-quarter (24%) would be willing to pay between 500 and 1,000 dinars, while 9% claimed they could afford more than 1,000 dinars.

Who would be willing to pay to continue consuming content if they were required to? These are mainly residents of Western Serbia, those with secondary school diplomas, the employed, and those aged 15 to 19.

Chart 4.3.2.4. *If content you regularly use switched to a subscription-only model, would you be willing to pay?* (%)



4.3.3. Willingness to support community media

This section sought to assess how engaged the respondents were with their local community. From a broader perspective, engagement includes various initiatives that can be both formal, as articulated through civic associations and movements, and informal, in this case entailing solidarity with community/local media.

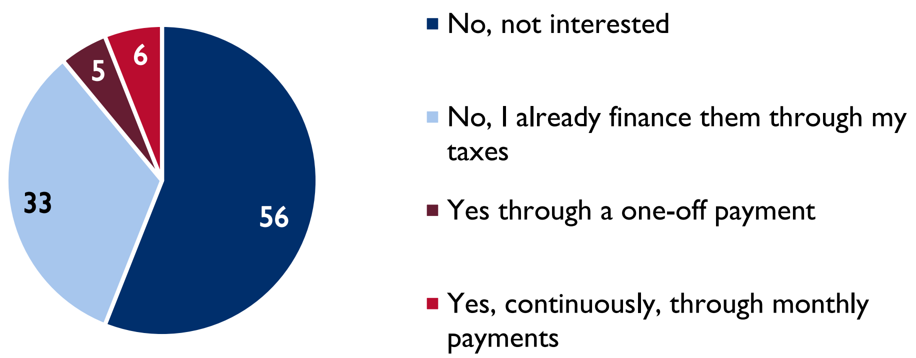
Most of those polled (56%) reported not being willing to financially support local media in their city or town. Another third claimed they would not do so because these outlets are already financed indirectly by taxpayers (33%). When these two groups are viewed together, it emerges that 89% of Serbians would not financially support their local media. By contrast, 11% of all respondents claimed they would support local media financially, either by making a one-off payment or continuously.

The average amount that respondents would be willing to pay in support of local media outlets in their town or municipality is 745 dinars per month. A total of 19% reported they could afford up to 100 dinars; one-half of those polled (who claimed to be willing to pay for local media) cited an amount between 100 and 500 dinars; while 31% of all respondents from this group mentioned a sum over 500 dinars. Focus group participants reported somewhat lower amounts, which ranged between 200 and 500 dinars per month.

Who would be willing to financially support media outlets in their municipality or city? This view is predominantly shared by highly educated and employed women aged 30 to 39 who live in urban areas. In addition, these are more likely to be respondents who believe that civic associations should stand up for their interests and see local media as moderately important.

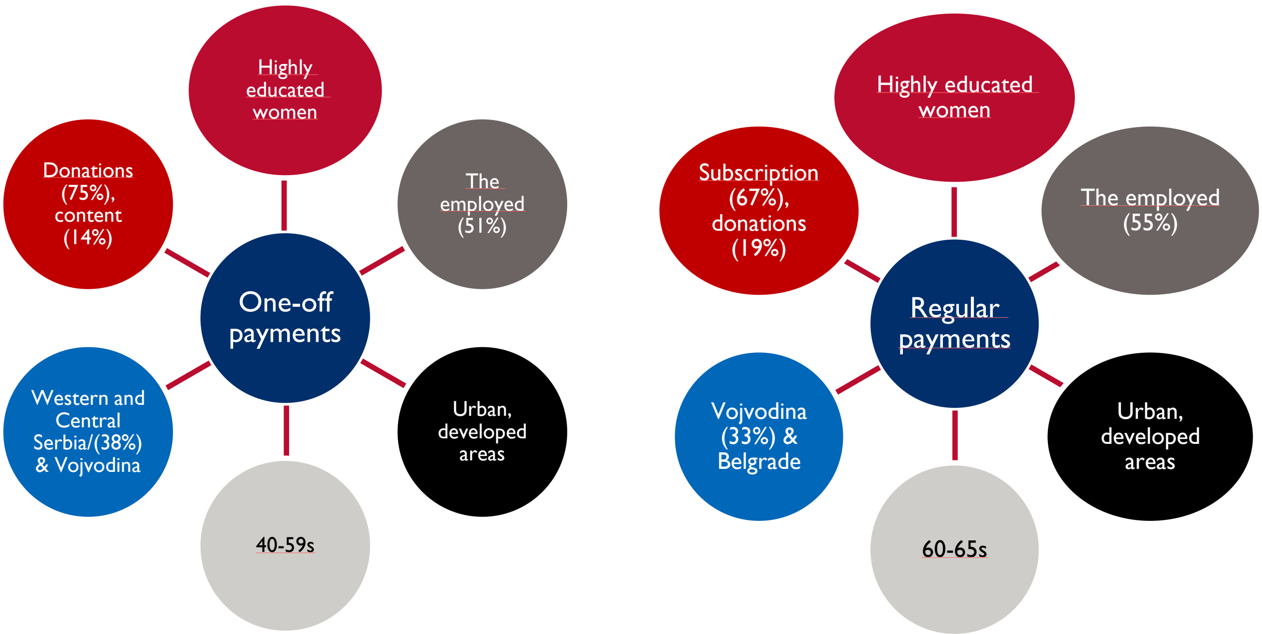
The focus group discussions showed residents of Kragujevac, Novi Sad, and Niš were highly interested in interacting with the local media, in contrast to the populations of Loznica and Zaječar.

Chart 4.3.3.1. *Willingness to financially support community/local media* (%)



What are the differences between those willing to make one-time payments in support of community/local media and those prepared to pay regularly? First off, respondents willing to pay regularly preferred subscriptions to donations, were more likely to live in Belgrade and Vojvodina (in contrast to those who preferred one-time payments, who mainly came from Vojvodina and Western Serbia/Central Serbia), and were over 60. Women, residents of urban and developed areas, and the employed were over-represented in both groups.

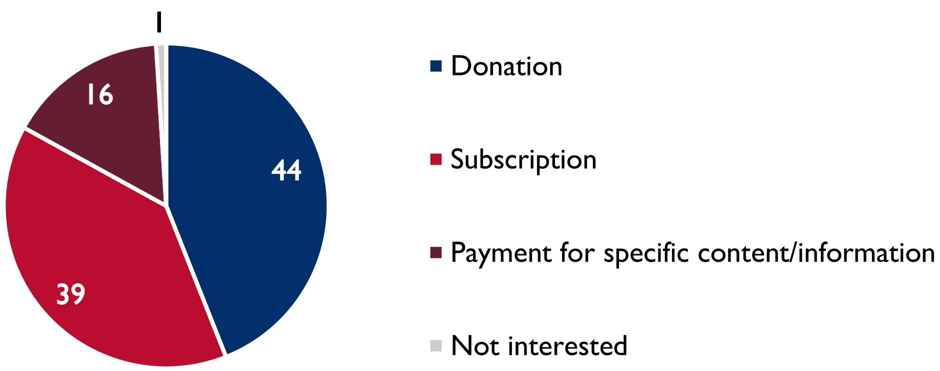
Chart 4.3.3.2. *Differences between support models* (%)



Which model of support for local media did the respondents find the most convenient? Most of those polled (44%) chose donations, as did the participants in focus group discussions, but with the caveat that the outlet had to prove it had the quality to deserve such support. A total of 39% opted for a subscription model, while 16% chose paying for specific content or information. Finally, as little as 1% stated they were not interested in any options for supporting local media outlets.

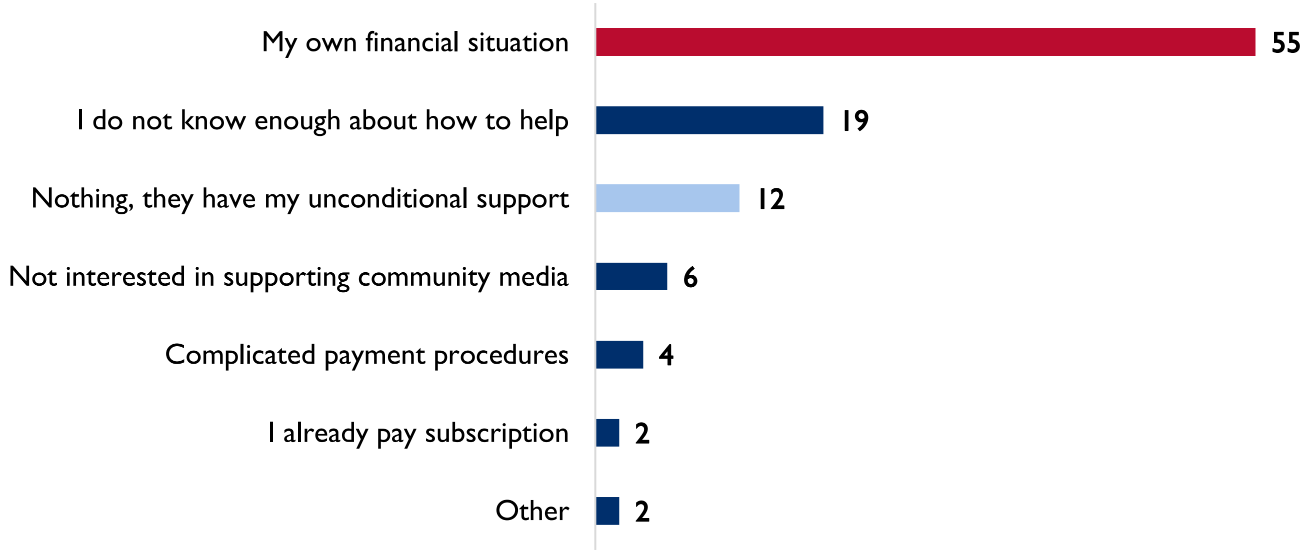
In an interesting finding, the Sombor focus group claimed it would be willing to volunteer in support of their local media outlet as they could not afford to help it financially.

Chart 4.3.3.3. *What arrangement for supporting local media would you find the most convenient?* (%)



Understanding the motives and reasons that could induce the respondents to financially support local media was important to recognizing the limitations that the Serbian public faced. We therefore employed reverse psychology, asking the respondents about issues that could prevent them from supporting local outlets. More than half of those polled (55%) cited a lack of money, followed by insufficient awareness of how they could help (19%). This latter group could be targeted by awareness-raising campaigns to enhance their knowledge of options available to support local media outlets. Four percent stated they were put off by complicated payment procedures; 6% reported a lack of interest in the issue; and 2% said they already paid monthly subscription. Finally, 12% of those polled proved highly supportive of local media outlets, claiming there were no factors that could prevent them from providing assistance.

Chart 4.3.3.4. *What could stop you from financially supporting local media?* (%)



4.3.4. Solidarity, donations, and crowdfunding as an emerging opportunity

We will now move from the issue of local media outlets to the broader picture, where we will examine respondent's attitudes towards solidarity with Serbian media and their willingness to help them survive by making donations and through crowdfunding. Here we wanted to determine whether respondents felt the media they consumed were sufficiently relevant to trigger a desire to help them financially.

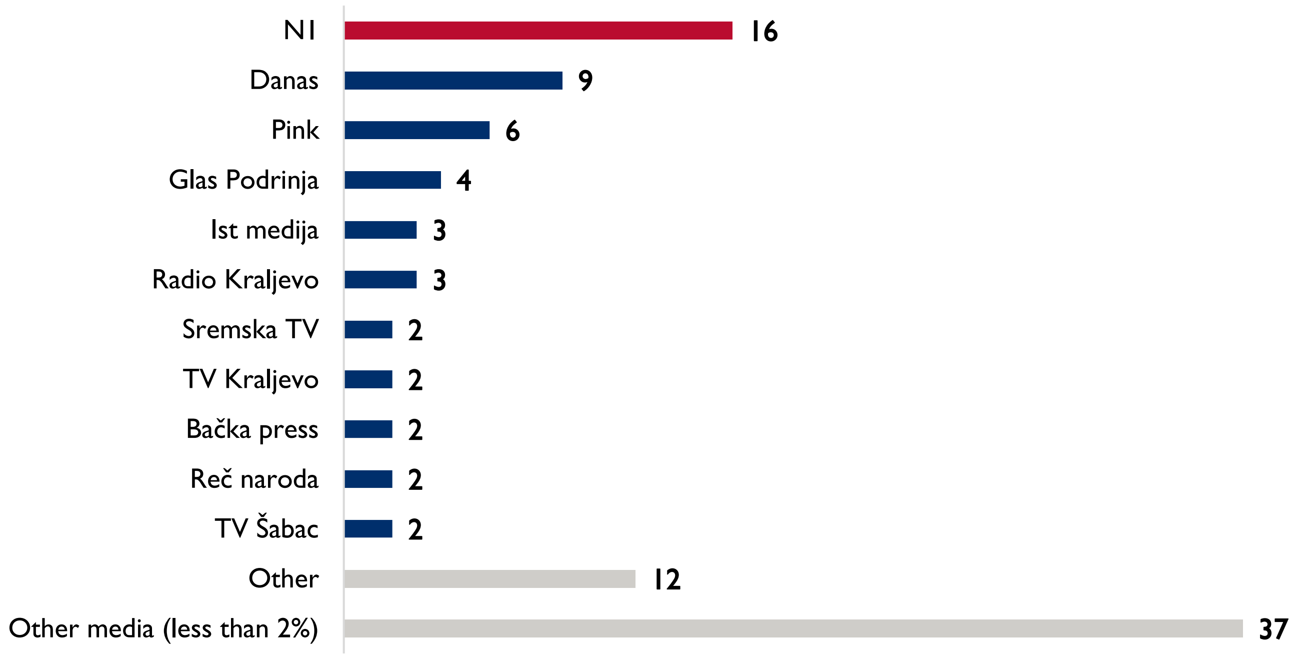
The news channel N1 was cited by 16% of those polled, while the daily *Danas* came in second, with 9% of all votes. Pink Television was ranked third at 6%.

Interestingly, all other outlets represented here were local ones: *Glas Podrinja* was the first in this group , followed by Ist Media and Radio Kraljevo . Two percent each also reported being willing to support Sremska TV, TV Kraljevo, Bačka Press, *Reč Naroda*, and TV Šabac.

Other outlets cited by only a handful of respondents each included print – *Novine Laćarak*, *Kurir*, *Večernje Novosti*, *Ibarske Novosti*, *Blic*, and *Kikindske*; TV channels - O2, Sport Klub, Happy, TV Naša, TV Prva, TV Santos, RT Kragujevac, Soko TV, TV Forum, TV Vujić, Panon TV, Subotička TV, TV Kula, and TV Bačka; radio stations – Kulski Radio, Radio Požarevac, Radio Panon, Radio Bačka Topola, Kulska Komuna, Radio Fantazi, and web sites – Balkan Info, Bor030, Krik, Peščanik, Pančevo.city, and Jugmedia.

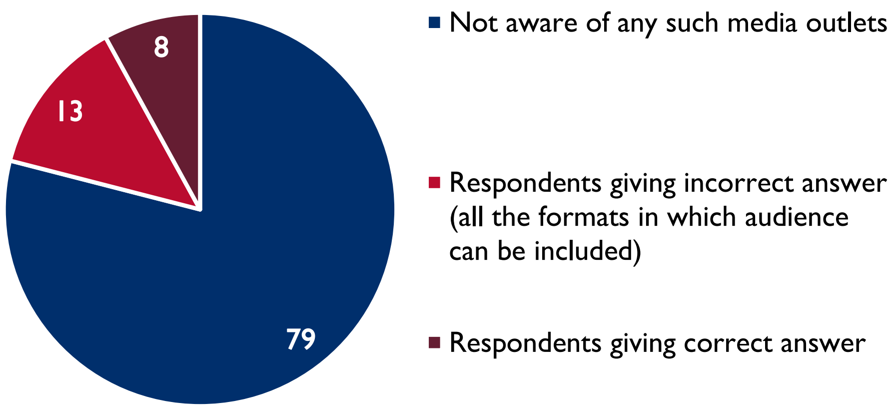
The chart below does not include answers that cited media that members of the public would not be able to finance, which were mentioned by a total of 12% of those polled.

Chart 4.3.4.1. *Is there a media outlet that you personally would support financially if its funding were jeopardized or threatened? (Respondents willing to support media financially)* (%)



We were also interested in how well the Serbian public was aware of audience-funded media outlets. To find this out, we asked the respondents whether they were aware of such media at all, and, if so, to name the outlets. The responses indicate that over three-quarters of those polled (79%) are not familiar with audience-funded media, with an additional 13% providing incorrect answers as to which outlets or media formats can be funded by the audience. Eight percent of all respondents cited an actual media outlet: most mentioned the RTS (75%), with 13 times fewer (6% each) identifying for *Danas* and Balkan Info. RTV Vojvodina came next, with 4% of all votes, and, finally, 2% each mentioned Peščanik, Krik, and *Liceulice*.

Chart 4.3.4.2. *Are you aware of any audience-funded media in Serbia?* (%)



Key findings:

- → Most respondents were not in the habit of shopping online: 64% reported not having bought anything online, including media content;
- → When shopping online, either for media content or for goods and services, most respondents paid by bank transfer or money order;
- → About 6% of those polled reported paying for media content in the past, not counting basic cable subscriptions;
- → Cable television add-ons (such as HBO, Arena, and Sport Klub) proved the most popular. This was the content most purchased to date and what most respondents would opt for in the future;
- → The high proportion of respondents who reported not being willing to pay (76%) leads to the conclusion that the Serbian audience is still primarily oriented towards free-of-charge content or basic cable television;
- → The respondents who claimed to be willing to pay found money orders or bank transfers the most convenient mode of payment, and preferred monthly payments of no more than 500 dinars;
- → One in nine respondents would be willing to pay for community/local media: 6% were prepared to do so on an ongoing basis, with 9% claiming to be prepared to provide support when these media were financially threatened; and
- → A significant proportion of those polled (89% in aggregate) reported not being willing to support local media in their city/municipality.

5. Conclusions

This research identified the needs and behavior of the audience in Serbia and pointed out the contents, formats and sources that the media could consider in shaping editorial policies (and possible challenges arising from it). Key users of the research, other than the USAID SMS project, are the media, and in particular online and/or local media. The most important reason is that the research shows clear potential directions for the development of direct online (local) media, but also to specific challenges related to the potential for media support by citizens.

The findings have borne out some of the expectations of the SMS project, but also revealed conclusions that may have been less known to the wider audience. While television remains the dominant medium, which was especially true for television channels with national coverage, online media are on the rise, albeit not quite in keeping with global trends. The public are increasingly accessing content online using social networks. The most important social media in Serbia in terms of both influence/reach and investment are Facebook, Instagram, and YouTube. Print readership and circulation are on the decline, but its influence is still relatively high (for raising issues and setting agendas, as well as in the traditional 'a look at today's front pages' segment of morning television shows), and it is gradually becoming a medium for the older population. Contrary to the prophecies of many, radio has not fallen by the wayside: it is still listened to by a large portion of the population on a daily basis but has become the medium of music and entertainment. Finally, mistrust of the media is rife, and any new media businesses will have to deal with this as part of the environment in which they operate.

Our initial assumptions were that there would be a positive correlation between willingness to pay for particular content and lifestyles, attitudes towards public interest, age, and perceptions of print editions of newspapers and willingness to buy print media.

A detailed analysis of the findings has revealed connections and correlations between a number of factors. Respondents who buy physical newspapers do not seem to be especially willing to pay for any particular online content. That being said, some of those who both bought print editions and paid for content were more likely to pay for domestic magazines in Serbian and different sports content. A strong correlation between consumerist worldviews and willingness to pay for some types of content, mainly entertainment, was found. Conversely, respondents more inclined to save money and buy only the necessities were less willing to pay for media content, and, where they did report being ready to do so, preferred science and educational content.

No major statistical correlation was found between attitudes towards public interest and willingness to pay for content. In general, perception of the public interest is also ambivalent because the public is divided between awareness of the importance of public interest and market rules for media and the importance of the market for the sustainability of the media.

The second initial assumption, that age influenced willingness to pay for content, was proved correct. A strong statistical correlation was found between respondent age and willingness to pay for content, with the 30 to 39 age group being the most willing to do so.

The third assumption – that a sense of belonging to the local community, sharing its values, and living in the local community increased respondents' willingness to show solidarity for and support local media – was also confirmed. A moderate statistical correlation was revealed between attitudes indicating a sense of belonging to the local community, sharing community values, and living locally and being prepared to support local media.

When it comes to the attitudes towards paying for media content – the findings lead to two key conclusions: 1) relatively few respondents (6%) reported paying for content other than a basic cable subscription; and 2) a relatively high proportion of those polled (24%) claimed to be willing to pay for content, with a moderately high percentage (16%) being prepared to subscribe to content they already consumed and felt was important. These 16% were more likely to include respondents who preferred premium content (they do not show significant interest in the news), came from small communities and severely underdeveloped areas (see chapter on Methodology), and were willing to pay up to 500 dinars. Community media matter to 12% of those polled, but these are a demanding group for media businesses: most live in small communities and have low incomes, and this category currently has very limited choices. This does not exclude numerous differences between different municipalities (economic potential, existence of diaspora, etc.) so it is important to analyze each municipality individually to inform concrete decision-making. Thus, community media are important for those who are not particularly able to afford them. By contrast, one in nine respondents reported being willing to pay for community media (5% by making a one-time payment, and 6% on an ongoing basis), while one in 11 claimed being prepared to support these outlets if they were financially jeopardized. Both of these groups are 'realistic', meaning they are made up of respondents with the wherewithal to pay: these were more likely to be middle-aged people with jobs living in well-developed urban areas. Most also believed that civic associations ought to stand up for their interests and felt that local media outlets were moderately important for them.

The data also indicated that most respondents had paid for premium content in the past and that there was little or no interest to pay for news. The focus group discussions showed respondents saw information as free and sufficiently available at no cost. Serbians were not particularly accustomed to paying online: most respondents reported ordering online and paying cash on delivery. This incomplete transition to modern means of payment reduces the pool of consumers potentially willing to pay online.

6. Strategic interventions and recommendations

The final chapter will cover activities that can be undertaken in the near future. Firstly, we will define strategic interventions – areas of action – 1) support the development of a more enabling legal, regulatory, and market environment for media in Serbia and 2) support the development of financial sustainability, innovation, and partnerships in the Serbian media sector. We will then provide a set of actionable recommendations that can directly change the media environment or alter the media outlets' behavior and decision-making.

When it comes to enabling the regulatory environment, it is necessary to maintain a relatively strong role in monitoring the adoption of the new media strategy, especially in the phase of changing media laws in accordance with the strategy. Specific interventions are possible and desirable in the field of establishing a functional, sustainable and fair media market protected from political influence and improving professional knowledge and developing the digital competencies of citizens, journalists, media representatives and media workers. In the area of support for the development of financial sustainability, innovation, and partnerships in the Serbian media sector, interventions can be aimed at improving content production, interaction, assessment of resources for two-way communication, organizing media campaigns (for audience participation in topic selection or for various types of media support, crowdfunding events), collaboration with IT companies for digital marketing and the promotion of privacy policies.

6.1. Strategic interventions

Strategic interventions are areas of action for the short- and medium-term. In this report, we have divided them into interventions to 1) support the development of a more enabling legal, regulatory, and market environment for media in Serbia and 2) support the development of financial sustainability, innovation, and partnerships in the Serbian media sector.

Support the development of a more enabling legal, regulatory, and market environment for the media in Serbia

→ Remain involved in the adoption of the new Media Strategy and, more importantly, the drafting and enactment of new media laws, by engaging in strategic interventions aimed at enhancing the media market and financial sustainability and introducing modern options for paying for media content.

→ Interventions in the area of establishing a functional, sustainable and fair media market protected from political influence;

→ Interventions in the area of improving professional knowledge and developing the digital competencies of citizens, journalists, media representatives and media workers.

Support the development of financial sustainability, innovation, and partnerships in the Serbian media sector

→ Enhance content and adjust it to suit audience needs: this could be achieved through workshops and the use of the findings of this study in a number of areas, such as quality, responsiveness in reporting, being able to recognize issues, promoting variety, better visibility, and content localization;

→ Improve interactivity of media outlets, in particular at the local level and for online outlets, which already possess vast (technical) resources for doing so, and/or organize various campaigns to invite audiences to participate in selecting content so as to make room for potential monetization;

→ Align privacy policies with new rules mandated by the GDPR;

→ To establish strategic cooperation with IT companies, media and advertising agencies or with companies specialized in digital marketing (good example is: Digital Communications Institute) and promote cooperation between companies and online media aiming to develop capacities both for creation of digital-oriented content and its monetization and for the use of IT tools.

6.2. Practical recommendations

The practical recommendations are divided into six categories: 1) Media content, paying for media content and editorial policy; 2) Content sources; 3) Content formats; 4) Interaction between media and audiences and 5) Media involvement in day-to-day community life.

Media content, paying for media content and editorial policy

- → Ensure editorial policy can allow more varied and responsive content and mainstream concepts (at least content seen as mainstream in the region) that are not solely linked to local topics and events;
- → Organize editorial workshops for (major) political issues, as these are sensitive topics that polarize the public and shape audiences' attitudes towards the media. The workshops should also aim at bringing these topics closer to the citizens;
- → Organize editorial workshops for topics from local niches identified by this survey, such as green policies and environment, vulnerable groups and humanitarian work;
- → Work with editors and journalists to enhance media outlets' capacity to produce mainstream content (spreading the concept out of "hard issues", not necessarily commercially and even less tabloid) that combines regional coverage (issues of regional importance) with topics close to the local community, such as (as revealed by this research) local public services and utilities, weather, local culture, local entertainment and heritage, and local security;
- → Develop an app, platform, or notification system to serve as a guide to content for audiences at the local or regional level (power cuts, road closures, traffic information, concerts, cultural events, etc.);
- → Develop media campaigns to promote audience involvement in selecting and, possibly, paying for content that would target employed, middle-aged, well-educated and more sophisticated residents of larger and better-developed cities;
- → Identify technical media capabilities and provide assessment of resources for two-way communication with audience as the first step in establishing stronger mechanisms for interaction with audience;
- → Create content targeting women, since they have reported being readier to pay for content that suits their needs and covers issues they find important (concept out of "hard issues" such as news, chronicles…). The idea is to use not only above average willingness of women to pay for content, but also the potential that women have in the use of social networks.
- → Work with managers/owners to enhance media outlets' capacity to collaborate with other media, network production facilities, and develop project proposals that permit synergies in accessing markets beyond just the local environment.
- → Work with the media (by organizing workshops and developing strategies and action plans) to enhance their capacity for networking and shared production of content (jointly with other media), focusing particularly on online media;
- → Mentor owners/managers and editors of local online media for developing business plans and producing content (while drawing on the findings of this study) that could be monetized.
- → The project team should work with IT firms and foster collaboration with them to promote the creation of digital content through strategic partnerships;
- → Develop a technical assessment of local online media to identify how well they work with IT firms and to what extent they are able to utilize the technologies they have at their disposal;
- → Enhance media outlets' capacity to harness their advertising potential and organize workshops or educational programs/seminars on programmatic ad sales, a major global trend that has yet to achieve significant penetration in Serbia. Alternatively, collaboration between media outlets can be encouraged to reach the numbers necessary for programmatic ad sales.

Content sources

- → Hold workshops and/or co-operate with IT firms/media agencies to enhance media outlets' capacity for managing social media accounts and promoting content on social networks;
- → Work with media to produce their own and original content, adapted for local thematic niche audiences and community needs which would be more attractive than the content being transmitted from other media/sources.

Content formats

- → Hold workshops and/or co-operate with IT firms/media agencies to enhance media outlets' capacity for creating video formats/vertical videos, or mixed video-short text content;
- → Hold workshops and/or co-operate with IT firms/media agencies to enhance media outlets' capacity for creating emerging formats such as Google Spotlight Stories, Facebook Live features, etc.

Interaction between media and audiences

- → Enhance media outlets' capacity to interact with their audiences by harnessing social media, moderating comments, or developing platforms that audiences could use to actively participate in reporting by their preferred media outlets by proposing topics and influencing them. Work with media should include the specificities identified in this survey: men, with lower education, elderly people, retirees are more likely to prefer openness of media (for selection of topics/media content) while women pupils/student and young population in general are focused on social networks and comment options. Openness of media is very important for people in Belgrade.
- → Organize workshops to instruct media in how to use research findings (media measurements) or perform their own small-scale audience surveys to segment audiences and tailor content;
- → Improve web sites, strongly focusing on mobile optimization and interactivity.

Media involvement in day-to-day community life

- → Work with civil society and activists to develop local initiatives (important for the local community) that should make the media places for gathering together rather than just outlets for finding important information.

7. References

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