CASE STUDY

SZEGEDER.HU

Sustainable Local Media: Validating a Paywall and Loyalty-Driven Membership Model

IN SHORT

Szegeder.hu wanted to explore the possibility of being the first regional news outlet in Hungary to establish a paywall system successfully. The team conducted numerous interviews with business founders, media leaders, readers, and international experts, allowing them to map real needs and challenges.

ABOUT THE NEWS OUTLET

Szegeder.hu is an independent, nonprofit local media outlet founded in 2017 in Szeged, Hungary.

PROJECT OBJECTIVES

Szegeder.hu set out to assess whether a paywall and membership model could work for a regional news outlet in Hungary, where such systems had not yet been established outside the capital. The goal was to diversify revenue streams, reduce financial vulnerability, and build a sustainable funding model.

IMPLEMENTED SOLUTIONS

The team conducted extensive qualitative research, including interviews with readers, regional media leaders, business founders, and international experts, complemented by audience surveys. The process resulted in a detailed strategic roadmap and strong connections, providing Szegeder.hu with the evidence base and confidence needed to pursue paywall implementation as a next step.

Transitions

WHY THIS PROJECT?

The project's goal was to validate the idea of introducing a paywall in the city newspaper because there were no newspapers in the country outside of the capital, Budapest, that weren't national news outlets that had a paywall. The team wanted to grow revenues and diversify revenue streams by introducing a paywall. Despite taking a lot of work and being risky, the project had the potential to have a huge impact on how the team could do their job and increase their resources.

HOW DID APPLYING DESIGN THINKING PRINCIPLES HELP?

Several elements related to design-thinking methodology were present in the paywall-development process. The reader survey and interviews with regional media outlets and businesses represented the "empathy" phase, as they revealed the needs and motivations of the stakeholders. Using these insights through extensive research, the team was able to more accurately define the problem of what factors influence willingness to pay, and what business models could be viable. Overall, the project did not follow a fully formalized design-thinking process, but the logic and main steps of the methodology guided the development throughout.

DID SZEGEDER.HU'S APPROACH CHANGE ENGAGEMENT WITH ITS AUDIENCE IN ANY WAY?

The project wasn't focused on audience engagement. In previous years the team asked audiences how they perceived the news outlet and what would they like to see.

WHAT CHALLENGES DID SZEGEDER.HU ENCOUNTER AND HOW DID IT ADDRESS THEM?

Time management was a major challenge during the project, particularly in the summer and hot period. It was very important to find a time when the team could coordinate and sometimes it took weeks. Additionally, there were many skeptics in the sector, making it crucial to speak with individuals who had successfully carried out similar projects. Thorough preparation for interviews, especially with participants from the business and media sectors, was time-consuming but worthwhile: the subjects recognized the professionalism and within a short time shared very specific information, including less public details.

HOW WAS THE PROJECT RECEIVED BY SZEGEDER.HU'S AUDIENCE?

The project wasn't focused on audience engagement. Increasing revenue streams would allow the team to actively work towards improving content for its audiences.

WHAT INSIGHTS OR LESSONS DID SZEGEDER.HU GAIN FROM THIS PROJECT?

The most significant achievement of the project was the completion of the nearly 90-page study, which represents an outstanding professional accomplishment for a small organization. It also clarified the direction for the next steps. The establishment of international professional connections were also important, especially since recognized European mentors voluntarily committed to supporting the team in the future. The project also helped the team better understand client needs, as all participants — readers, media leaders, and business founders — shared their experiences openly and honestly.

WHAT DOES SZEGEDER.HU PLAN ON DOING NEXT?

As a continuation of the project, the team is seeking funding to implement the paywall system, which will enable sustainable operation. To secure precise financial forecasts and resources, the team is collecting multiple quotations. The team has compiled a written strategy for future implementation based on this research project.

WHAT ADVICE WOULD SZEGEDER.HU GIVE TO OTHER JOURNALISTS OR ORGANIZATIONS CONSIDERING A SIMILAR PATH?

Newsrooms need to do their homework before launching their paperwork. They need to have insight on what their potential customers want or need to make a great offer. Just pick up the phone and call to connect with other newsrooms and ask for advice and references. Find ways to motivate and be transparent. There are beautiful ideas out there to find and care about!