News Corp. buys Skiff, invests in Journalism Online

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(AP) -- News Corp. is placing bets on two ideas that it hopes will shore up sagging business models for media companies: electronic reading devices and charging readers for access to websites.

Rupert Murdoch's media conglomerate said Monday that it has acquired Skiff LLC, a company started by magazine and newspaper publisher Hearst Corp. to create a technology platform for e-readers. News Corp. also is making an investment in Journalism Online LLC, which is developing technology to help publishers collect payments from readers for online material.

Financial details were not disclosed.

Both fledgling ventures are seeking ways to support journalism at a time when publishers are struggling to find ways to be as profitable online as they once were in print.

The idea behind Hearst's Skiff business is to boost the value of material offered by newspapers and magazines by delivering them in a more attractive and distinct form than they exist on the Web.

It previewed a Skiff e-reader in January that it plans to start selling later this year. It featured an 11.5-inch, grayscale touch screen with the ability to download material from Skiff's online store.

The company has announced deals to put material on the Skiff reader

from The New York Times, The Financial Times, Forbes and Popular Mechanics, along with book publishers Simon & Schuster and Random House. Skiff says the device will also carry advertising, which would make it distinct from Amazon.com Inc.'s Kindle readers.

The technology Skiff has developed could also be used to publish material on separate gadgets made by other manufacturers.

The other business News Corp. is investing in, Journalism Online, is setting itself up as the single cash register for a wide swath of online publishers. About 1,500 have signed up, the company said Monday.

Readers will be able to sign in with their credit card and other information just once and buy material from any publisher using the company's system. Each publisher will set its own prices and terms. Journalism Online, which is backed by Court TV founder Steven Brill and former Wall Street Journal publisher Gordon Crovitz, will take a 20 percent cut of the revenue.

The company said it is in final stages of tweaking the system and expects publishers to be rolling out pay models based on it this summer.

News Corp. is buying a minority stake in Journalism Online and will get a seat on its five-person board, the company said.

Murdoch, News Corp.'s chairman, has been a vocal advocate of the idea that readers should pay something to get news from authoritative sources. The Wall Street Journal, which he bought in 2007, is one of the few major news providers that charges for unfettered access to its website.

Others are following, frustrated that even big online audiences have not translated into enough digital ad revenue to support newsgathering. The

Journal's main rival, The New York Times, says it will move to a metered model next year, which means it will charge readers after they view a certain number of articles. Subscribers to the printed edition would maintain free access.

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