

Murdoch leads charge to get readers to pay online

May 9 2009, by Chris Lefkow



As US newspapers shrivel up and die, an unlikely figure is emerging as their potential savior: News Corp. chairman Rupert Murdoch, seen here in April 2009. The much-villified Australian-born media tycoon is preparing to battle against the practice many hold largely responsible for newspapers' current plight -- the "original sin" of giving away their content for free online.

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current plight -- the "original sin" of giving away their content for free online.

The 78-year-old Murdoch announced this week that the days of free are over.

He said he planned to begin charging readers of the websites of News Corp. newspapers "within the next 12 months," testing the scheme "first on some of our stronger ones.

"We are now in the midst of an epochal debate over the value of content, and it is clear to many newspapers the current model is malfunctioning," said Murdoch, whose [newspaper](#) holdings include The Wall Street Journal, the New York Post, The Times of London, the Sun and The Australian, among others.

The [Wall Street Journal](#) online already requires a subscription fee but newspaper owners across the United States will be closely watching as Murdoch bucks the conventional wisdom and extends a pay wall to other publications.

Murdoch himself is a late convert to the notion of making readers pay online, having planned before buying the Journal two years ago to do away with the [subscription](#) system in a bid to increase traffic to wsj.com.

He changed his mind after taking over the paper, but it is precisely that kind of flexibility that some analysts point to when they say Murdoch may be the media magnate best equipped to lead newspapers into the digital age.

"The track record shows that [Rupert Murdoch](#) is nothing if not bold," said Rick Edmonds, a media business analyst at the Poynter Institute, a non-profit journalism school based in Florida. "I don't think it's entirely

surprising for him to be leading the way."

Frequently accused in the past of promoting tabloid journalism, Murdoch is "sometimes villified for the wrong reasons," according to Edmonds. "There's quite a degree of respect for him as an operator."

"Whatever you say about Murdoch, the guy's a savvy businessman," said Ryan Chittum, a business writer at the Columbia Journalism Review. "He knows a failed business model when he sees one."

"The free model has failed," said Chittum, who worked as a reporter at the Journal and left around the time [News Corp.](#) took over.

"The ad revenue's not there online and it's not going to be there," he said. "To have the scale to produce their current levels of journalism, newspapers are going to have to find other revenue sources."

Struggling US newspaper publishers would not dispute Murdoch's assessment that the current system is "malfunctioning" and that online advertising is not generating the revenue needed to support their current newsrooms.

But few have been willing to start charging readers online out of fears of losing traffic to their websites.

With Murdoch taking the lead and print advertising revenue evaporating at a dizzying pace, analysts said more newspapers may be ready to take the plunge.

"There's definitely momentum among newspapers in the area of charging online, especially as the financial situation continues to deteriorate," said Zachary Seward, assistant editor at Harvard University's Nieman Journalism Lab. "Whether it's a good business

decision remains to be seen."

"It's risky," agreed Poynter's Edmonds. "But on the other hand, there's a lot of debate and a lot of sentiment within the industry that maybe they took the wrong fork in the road a few years ago."

Edmonds noted that a number of US newspapers, including The New York Times with its failed "Times Select" payment scheme, had experimented with charging readers.

"The proposition of putting the New York Post or The Times of London behind a pay wall -- it's not immediately clear to me why that would go over better with readers than pay online attempts in the past," Edmonds said.

"Quite a few United States papers experimented with that at least for a while and typically found their traffic fell through the floor and therefore weren't getting much ad revenue.

"The [Journal](#), a lot of people say, is a special case because of the relevance of that information to people's businesses," he added. "It makes them a lot more willing to pay."

Chittum said there may be risks but the US newspaper industry no longer has the luxury of sitting back, waiting and watching what happens with the Murdoch papers.

"They can't dither and talk and think-tank anymore," he said. "A lot of these papers are going to go broke if they don't do something soon."

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