

Struggling US newspapers look to e-readers

May 5 2009, by Chris Lefkow



The front page of The Christian Science Monitor from March 26. The Christian Science Monitor printed its final edition on March 27, bringing a 100-year run as a daily newspaper to an end but beginning a new era as an online publication.

As US newspapers drown in a sea of red ink, publishers are desperately searching for ways to survive in a digital future.

Some are toying with the idea of charging readers for news on the Web while others are ganging up to extract money from powerful aggregators such as [Google](#) News which link to their articles.

Online advertising is seen as a potential savior in some newsrooms although it currently accounts for less than 15 percent of revenue at most US dailies.

Another proposal gaining currency is selling digital subscriptions through electronic readers similar to Amazon's popular Kindle.

Rupert Murdoch's [News Corp.](#), newspaper and magazine publisher Hearst and California-based start-up Plastic Logic are among the companies known to be developing e-readers.

Japanese electronics giant Sony is also reported to be adapting its [e-book reader](#) for daily content and Apple is rumored to be developing a full-color media tablet of its own.

But Amazon may have once again stolen the march on its rivals.

The New York Times reported on Monday that the Seattle, Washington-based online retail giant plans to unveil a large-screen version of its Kindle book reader on Wednesday tailored for displaying newspapers and magazines.

Amazon invited media outlets to a press conference in New York on Wednesday but declined to reveal what it plans to announce at the event.

The Times, however, said Amazon will show off an e-reader that "could present much of the editorial and advertising content of traditional periodicals in generally the same format as they appear in print."

It quoted "people briefed on the plans" as saying that the Times was one of several news organizations "expected to be involved in the introduction of the device."

Amazon's traditional Kindle is designed for electronic books but the new device has a screen roughly the size of a standard sheet of paper and is more geared towards periodicals "and perhaps textbooks," the Times said.

With advertising revenue and circulation declining at US newspapers and magazines, the Times said the device was being seen by struggling US media companies as "a way to get readers to pay for those periodicals."

"Publishers could possibly use these new mobile reading devices to hit the reset button and return in some form to their original business model: selling subscriptions, and supporting their articles with ads," the Times said.

It noted that digital delivery would allow newspaper publishers to save millions on printing and distribution costs.

With so much news already available for free on the Internet, the notion that electronic readers could provide a measure of salvation for the newspaper industry met with some skepticism.

"The idea that a large screen Kindle (or any similar device) could save newspapers is a joke," wrote Silicon Valley technology blog TechCrunch.

"The idea that people are going to run out in droves to get these new giant Kindles just to have the privilege of paying for newspaper content is absurd."

Billionaire investor Warren Buffett did not address the specific subject of e-readers but over the weekend he joined the chorus of those predicting nothing but trouble for the US newspaper industry.

Addressing shareholders in his company Berkshire Hathaway, Buffett said he would not invest in newspapers "at any price" and predicted they could be faced with "unending losses."

Amazon already offers dozens of newspaper subscriptions for its

existing Kindle readers but the number of subscribers is believed to be just a tiny fraction of the circulation of the print editions of the newspapers.

The Plastic Logic e-reader, a lightweight device with a touch screen about the size of a pad of letter paper, is going to be used on a test basis by two Detroit newspapers later this year.

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