

News Corp. plans fees for newspaper Web sites

August 6 2009, By ANDREW VANACORE, AP Business Writer

(AP) -- Visitors to the Web sites of newspapers owned by News Corp. will have to start coughing up fees to read the news within the next year, Chairman Rupert Murdoch said.

It's risky for the company because a pay barrier could drive away <u>Web</u> <u>traffic</u> - and with it, <u>advertising revenue</u>.

"You don't want to be the first guy to put up a big pay wall when all other roads to content are open," said Ken Doctor, a media analyst with Outsell Inc.

Yet it is a move many news outlets will closely watch as they, too, consider charging users as the decline in print ad revenue far outpaces the growth of online ad dollars.

Murdoch told analysts late Wednesday that the company plans to start charging at all of the company's news Web sites. It wasn't immediately clear whether News Corp.'s broadcast Web sites would be included; spokeswoman Teri Everett had no further details Thursday.

Among News Corp.'s stable of dailies is The New York Post, The Times of London and The Sun, a popular British tabloid. News Corp. already charges for some access to The Wall Street Journal's <u>Web site</u>. It also owns the social-networking site, MySpace.

The idea of charging online is a reversal for Murdoch, who talked about



throwing open the Journal's paid site when his company took over the newspaper in 2008.

There is a growing urgency, at News Corp. and elsewhere, to do something to stem the decline in ad revenue.

News Corp. lost \$203 million in the most recent quarter and sees few indications of a speedy comeback. "I think the worst may be behind us but there are no clear signs yet of a fast economic recovery," Murdoch said.

The New York Times Co. is in a similar position. Having seen ad revenues drop by nearly a third this year, the company is considering some kind of online pay system at its flagship newspaper. It promises more details in the fall.

Unlike the Journal, which has charged readers from the outset, the Times has been largely free online except for a few abandoned experiments.

In the most recent - Times Select - the site charged for access to opinion writers. But the site dropped the idea after estimating it would make more money from the extra traffic through advertising.

The challenge is holding on to ad dollars while charging those readers who are willing to pay. One idea is setting up a kind of toll that allows readers to visit the site for free but begins charging after a certain number of page views.

Murdoch gave few details Wednesday on what News Corp.'s approach will be.

"The Wall Street Journal's WSJ.com is the world's most successful paid



news site," he said, "We will be using our profitable experience there and the resulting unique skills throughout News Corporation to increase our revenues from all our content."

Asked how <u>News Corp</u>. will keep readers from simply jumping to free sources of news, he said, "I believe that if we are successful, we will be followed by other media."

Among those considering a pay wall are Cablevision Systems Corp., owner of Long Island, New York's Newsday, Denver Post publisher MediaNews Group and Hearst Corp., which publishes 15 daily newspapers including the San Francisco Chronicle.

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