

# Online payment startup Zuora wants to rescue newspapers

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The founder of online payment specialty startup Zuora made his plea at a DEMO emerging technology conference as he unveiled a service that lets news organizations customize ways to charge readers at websites.

"Free is actually killing the media industry," Tzuo said as he

demonstrated Z-Commerce for Media.

"We've got to save [journalists](#); someone has to keep the government honest."

The California-based firm cited a recent America Press Institute study in which more than half of newspapers polled said they were considering charging for access to stories online.

Z-Commerce provides simple tools for news organizations to customize price schemes based on their needs or preferences, with options ranging from charging small amounts per story to offering monthly or annual subscriptions.

"Chances are, whatever model they start off with will be completely different a year from now," said Beagle Research managing principal Denis Pombriant.

"Newspaper businesses need a flexible monetization platform that allows them to experiment with different packages, bundles, and pricing plans."

The Wall Street Journal announced last week that it will begin charging for access to the newspaper on [mobile devices](#) such as the [Blackberry](#) or [Apple iPhone](#) from October 24.

[Wall Street Journal](#) owner [Rupert Murdoch](#) has made public his intention to also begin charging for online access to other newspapers in his media empire.

"We think it's absolutely viable; not an all or nothing approach where everything has to be free," Tzuo said of getting [Internet users](#) to pay for news content they are accustomed to getting online at no cost.

"It is not a question of 'Will people pay?'; it is, can we give the newspaper industry the right tools to figure out how to transform themselves in an online world? We're waiting for Rupert to call us."

Popular Web 2.0 blog GigaOM already uses Zuora "Z-Commerce" software tools for generating revenue.

"It's time to evolve the way we distribute content online, offering customers premium subscription products in addition to high-quality ad-supported content," said GigaOM Network chief executive Paul Walborsky.

"The writing is on the wall for media companies; free is not a sustainable business model."

Getting online readers to pay for news stories still promises to be a tough sell, according to Philip Sanderson, a managing director at IDG Ventures who was among judges picking top innovations at DEMO.

"I don't know if (Zuora) can solve the problem of whether people will give newspapers their money, but they have some really good technology," added DEMO judge Jennifer Zeszut, chief executive of Scout Labs.

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