

Variety trade newspaper to charge for online site

September 17 2009, By RYAN NAKASHIMA , AP Business Writer



The Daily Variety trade magazine is seen for sale at a news stand in the Hollywood section of Los Angeles on Thursday, Sep. 17, 2009. Variety newspaper plans to put some of its Web site content behind a "pay wall" that will require a paid annual subscription. (AP Photo/Damian Dovarganes)

(AP) -- Ending a three-year flirtation with free online content, Variety newspaper plans to put some of its Web site content behind a "pay wall" that will require a paid annual subscription, its publisher said Thursday.

The changes at the Hollywood trade publication will take place early next year and come with new online features such as a better archive, publisher Brian Gott said.

While there might be some reduction in the number of Web site visitors, currently about 2.5 million per month, the switch will help preserve

paying subscribers even if readers eventually switch to reading online only, he said.

"It's getting ahead of something that inevitably will happen and creating a business strategy around maintaining the viability of being a paid product," Gott said.

Many news publications are taking another look at charging for online access as revenue from Internet ads fails to offset losses from print ads and subscriptions.

Variety's move will also prove an interesting test case to see if niche audiences are willing to pay for specialized reporting.

Its key competitor, The Hollywood Reporter, is not planning any changes to its Web site, which is mostly free but keeps 45-day-old news archives and film shooting schedules behind a wall for paying subscribers only.

"Next year, we hope to roll out some really fun, very cool things both in print and in digital," said Reporter publisher Eric Mika. The Hollywood Reporter is a unit of privately held The Nielsen Co.

Subscriptions to Variety, a unit of London and Amsterdam-based Reed Elsevier Group PLC, are currently \$329 a year for either the daily or the weekly print edition, or a digital, PDF version that looks just like one for print. The daily print edition gets about 26,000 paying subscribers, and the weekly version another 31,000, according to the Audit Bureau of Circulations.

The Web site was almost entirely reserved for paid subscribers until October 2006, when it lifted that restriction to boost traffic. How much of the new site will be reserved for paying customers has yet to be finalized.

While the newspaper still makes more revenue from advertising than it does from paid subscriptions, the marginal benefit from driving more traffic to its [Web site](#) was small, Gott said.

"The more traffic you get, the lower (rates) an ad buyer can demand and it's diminishing returns," he said.

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