

Media heavyweights spar over charging for news online

March 12 2010, by Chris Lefkow



A view of the New York Times headquarters in Manhattan. The Times plans to require payment for full access to NYTimes.com in early 2011 and Murdoch, who already charges for The Wall Street Journal online, has pledged to begin charging Web readers of his other News Corp. newspapers.

With The New York Times and Rupert Murdoch poised to start charging for newspapers online, media heavyweights sparred on Thursday over whether readers will pay for news on the Web.

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Keynote speakers and panelists at the Bloomberg BusinessWeek Media

Summit here differed sharply on whether Internet users would be ready to shell out money for what they have become accustomed to getting for free.

New York Times publisher Arthur Sulzberger said the time is right for his [newspaper](#) to start charging for its website and the move will provide a "critical" new revenue stream to add to print and online [advertising revenue](#).

"There is an opportunity, I think, for us to gain a great deal of revenue from this paid model going forward," Times Co. president and chief executive Janet Robinson said.

Merrill Brown, chief strategist for Journalism Online, said more than 1,300 publications around the world have expressed interest in the services offered by the company founded last year to help news outlets make money on the Web.

"Everyone of them is contemplating a paid strategy of one kind or another," Brown said.

Readers will not pay for "commoditized headlines," he said, "but they will pay for very specialized news.

"They will pay for deep coverage of their favorite sports teams, they will pay for content which only local newspapers have in their communities," Brown said. "If (publishers) market it smartly to their most engaged users they have a chance to add at least incremental revenue."

Brown said that although the data is "inadequate," studies suggest that in the United States, over 20 percent of regular visitors to a particular news website may be willing to pay.

"That would be a pretty good thing at any large publication in the country," he said.

Andrew Keen, author of "The Cult of the Amateur," a book which takes a critical look at the impact of the Internet on culture, said the newspaper industry "shot itself in the foot" by not charging on the Web in the first place but has every right to do so now.

"We do need to fight the culture of free, the culture which suggests that large media companies or for that matter small media companies don't have the right to charge for their content," he said.

"Media companies if they choose can give their stuff away for free but they shouldn't be vilified if they choose to build pay walls around it and sell it," Keen said.

Michael Wolff, founder of news aggregator website Newser and the author of a book on Murdoch, said any attempt to make readers pay online is doomed to fail.

"We're in a moment of destruction, transformation beyond all imagination," Wolff said.

"Newspapers are going out of business, every big city newspaper will be out of business or will be owned by a rich man hobbyist within the foreseeable future," he said.

"It's not going to happen that The New York Times is going to successfully charge or that anyone else is going to successfully charge," Wolff said.

"You're not going to pay for news because it's something you already get, it's everywhere," he said. "If you're connected in any way the news

comes to you."

Richard Gingras, chief executive of online arts and culture magazine Salon, said media companies "clearly have to look for alternate [revenue](#) streams and not just rely on advertising" but expressed skepticism readers would be willing to open their wallets to get news online.

"They won't pay for local news content, not in sufficient numbers," he said. "It's very hard to convince anyone that the value is such that they should pay to get it."

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