Newspaper publishers want control over iPad subscriptions

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Apple is reportedly accelerating efforts to launch a newspaper subscription service, which could theoretically help newspapers stem massive losses incurred from years of declining print sales and relatively thin online ad revenue.

The foray into newspaper subscriptions would be a new one for Apple, which currently offers free access to The New York Times among dozens of others and sells individual editions of magazines.

Apple has allowed some publishers -- like The [Wall Street Journal](#) -- to control the subscriptions to their [iPad](#) editions.

But the Journal reported Monday that the [subscription service](#) Apple is developing would not allow publishers "easy access to customer names or other personal information."

Another sticking point in negotiations is reportedly over revenue sharing.

The San Jose Mercury News reported last week that the current model would involve Apple taking a 30 percent cut of subscription sales and up to 40 percent of ad revenue generated from the applications.

"Don't concede control of the customer -- just don't do it," said Todd Larsen, president of Dow Jones & Co. which publishes The Wall Street Journal.

"If we start allowing third party companies to own those relationships and fragment the way we talk to our customers we believe that is a very hard model," Larsen told the Executive Club of Chicago.

"It's hard to regain the relationship with the customer once you've ceded it."

Publishers have to be careful not to simply seek to grow audiences without maintaining revenues, cautioned Tony Hunter, chief executive of the Chicago Tribune Co.

"It's not hard to drive audience if you provide interesting content," Hunter said. "Who's going to pay? That's the question on the business model side."

The Tribune Co. has reoriented its business model to use the value of its

brand to direct traffic to revenue generating projects like cars.com and using its subscription data to provide "customized solutions" for marketers and advertisers, Hunter said.

While tablets can be "a great content delivery device" the current model "doesn't seem like a savior by any means" if it means "we create the value and have to siphon off a large part of the revenue and don't own the relationship with the customer," he said.

The Journal developed a completely new format for the iPad, and Larsen said he thinks "it's an open question as to whether there will be a true migration" from print to tablets because of the limitations of the tablet format.

"We would want people to still get the print paper, but to use tablets as a way to augment how they read it," he said.

While the tablet is certainly intriguing, it's also not clear if there are "sufficient readers and subscribers out there who would be willing to pay 10 to 15 dollars a month" for access to a newspaper, added Jeremy Halbreich, chief executive of the Sun-Times Media Group.

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