

# News site counts on readers to pay for experience

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In this screen shot provided by Ongo Inc., the Ongo personal news service site is shown.(AP Photo/Ongo Inc.)

(AP) -- A new website called Ongo wants to charge people \$7 per month to look at news that is for the most part free elsewhere.

Yet the people behind it - former [eBay](#) Inc. executives - believe there's a large audience of heavy [news](#) consumers who will pay for a site that pulls together quality stories in one place and lays them out in a clean, ad-free format.

"Are they willing to pay for content? Doubtful," Ongo Inc. CEO Alex Kazim says. "But they would pay for a better experience. Someone is willing to pay \$2 for a cup of coffee at Starbucks when they could go to McDonald's and get it for \$1."

The site, which launched Tuesday, has financial backing from some of the country's biggest publishers. The New York Times Co., The Washington Post Co. and [USA Today](#) publisher Gannett Co. have invested \$4 million each.

Online advertising has not generated enough revenue for newspapers to offset declines in print, so charging on the Web has surfaced as a potential solution. But that's difficult when readers have scores of free options elsewhere.

So if a free aggregator of news and opinion, such as the [Huffington Post](#) or Google News, is McDonald's coffee, what makes Ongo believe it's got a better brew?

For starters, Ongo is going for a smoother reading experience.

Subscribers won't have to jump from site to site for a broad take on the news. While free sites will often run a headline that links readers to, say, a New York Times story at NYTimes.com, Ongo is hosting stories from the Times and other publishers on its own site. Stories at Ongo are laid out in multiple columns like a newspaper, so readers won't be forced to scroll down the Web page as is typical elsewhere.

Ongo is one of many efforts in the news industry to charge for online news. The [Wall Street Journal](#), for instance, charges \$3.99 per week for news delivered on Apple Inc.'s [iPad](#). The Journal's parent company, [News Corp.](#), has hired journalists for an upcoming iPad newspaper, The Daily, though it has yet to provide details on any fees.

It's too early to tell whether Ongo or any of these other approaches will work. The company, which is based in Cupertino, Calif., not far from Apple's headquarters, wouldn't share specific financial projections.

For now, Ongo is available only as a website, but an iPad app is on the way.

A computer handles the bulk of Ongo's story selection, as is the case with [Google](#) News and many other aggregators. But in Ongo's case, five editors tweak the picks and look for hidden gems.

There's a place for saving stories to read later and tools for sharing them on Facebook and Twitter.

And there are no ads of any kind - no paid search links, no banners, no video spots.

The whole experience is paid for by readers. For \$6.99 per month, subscribers can get a basic selection of stories from the Times, The Washington Post, USA Today, The Associated Press and the Financial Times. With The New York Times and the Financial Times, readers get a limited selection of items chosen by the outlet's editors.

Think of that as a cable TV package.

If you want to add premium channels - in this case publications - you pay an extra monthly fee. The Miami Herald is available for \$9.99 per month, for instance, while The Arizona Republic is 99 cents. For the most part, it's all of the outlet's content. The Boston Globe costs 99 cents for the editors' selection and \$14.99 for everything.

Dozens of newspaper and magazine publishers have signed up, and they are providing articles, photos and video in return for an undisclosed share of the subscription revenue.

Kazim believes there's a large base of news hounds willing to pay for Ongo, even if much of the same content is free elsewhere. Still, the site

would benefit from a Web with fewer free sources of reading material. Kazim won't say the site is counting on it, but more publishers are moving away from giving away all their material for nothing.

One of Ongo's partners, the [Financial Times](#), already requires a subscription fee of \$3.29 per week for full access to its site. The [New York Times](#) plans to soon charge readers who go over a certain monthly limit of free articles at NYTimes.com. In both cases, only a selection of content is available through Ongo's subscription.

If more follow, Ongo could offer itself as a one-stop shop; that way, readers wouldn't have to register and enter credit card information at every paid news site they want to visit.

In that sense, Ongo will have competition. Journalism Online LLC is positioning itself as a central cash register for online publishers looking to charge. It is providing the technology infrastructure for collecting customer information and letting publications decide exactly how to use it. And a consortium of big publishers called Next Issue Media is developing a service for distributing newspapers and magazines through tablet computers such as the iPad.

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