

Google unveils payment platform for online content

February 16 2011, by Chris Lefkow



This January 2011 screen image shows the Google logo in Washington, DC. Google unveiled an online payment platform for publishers on Wednesday, a day after Apple launched a subscription service of its own for newspapers, magazines, music and video.

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Google launched an online payment platform for digital newspapers and magazines on Wednesday, as a subscription service unveiled by Apple a day earlier came under fire for the size of the bite it takes from publishers.

Google will take a 10-percent share of revenue from transactions handled by "Google One Pass," less than the 30 percent charged by

Apple for subscriptions to applications sold through the App Store for the iPhone, iPod Touch and iPad.

The iPad currently dominates the tablet computer market but a number of companies are developing tablets running Google's Android software and the technology giants are also fierce rivals on the smartphone platform front.

The dueling online subscription services are aimed at attracting content producers to their respective mobile devices and come as struggling newspapers and magazines seek to boost revenue from the Web.

Google's new payment system for online content was announced by the Mountain View, California-based company's chief executive, Eric Schmidt, in a speech at Humboldt University in Berlin.

Google said Google One Pass "is currently intended for periodicals, such as news and magazines, but is a flexible payment system that can be used for many other types of content."

Lee Shirani, director of business product management for Google Commerce, said publishers who opt to use Google One Pass to charge readers for digital content can set their own prices and terms.

"Readers who purchase from a One Pass publisher can access their content on tablets, smartphones and websites using a single sign-on with an email and password," Shirani said in a blog post.

"Importantly, the service helps publishers authenticate existing subscribers so that readers don't have to re-subscribe in order to access their content on new devices," Shirani said.

Google said publishers can offer readers a variety of options including

full subscriptions or even single articles for purchase.

"With Google One Pass, publishers can customize how and when they charge for content while experimenting with different models to see what works best for them," Google said.

"We've been working with publishers for some time now to help them find ways to engage their readers, attract traffic to their sites, and make money online," said Carlo D'Asaro Biondo, Google vice president for Southern Europe, the Middle East and Africa.

Google said its launch partners include German publishers Axel Springer AG, Focus Online and Stern.de, France's Le Nouvel Observateur and Spain's Prisa.

Google's US partners are Rust Communications, publisher of the Southeast Missourian newspaper, Media General, which operates 18 television stations and 21 daily newspapers, and Bonnier Corp., publisher of Popular Science.

The Internet search giant said Google One Pass is currently available from publishers in Britain, Canada, France, Germany, Italy, Spain and the United States.

The announcement coincided with criticism of Apple's subscription service for newspapers, magazines, music and video.

While publishers mostly grumbled anonymously, digital music subscription service Rhapsody was one of the few companies to publicly hit out at Apple.

"An Apple-imposed arrangement that requires us to pay 30 percent of our revenue to Apple, in addition to content fees that we pay to the

music labels, publishers and artists, is economically untenable," Rhapsody president Jon Irwin said in a statement.

"The bottom line is we would not be able to offer our service through the iTunes store if subjected to Apple's 30 percent monthly fee vs. a typical 2.5 percent credit card fee," Irwin said, adding that the company would be "determining an appropriate legal and business response."

Forrester research analyst James McQuivey said "taking a 30 percent toll amounts to a massive increase in the cost basis of a content business that will kill it.

"I staunchly defend Apple's right to price its products and services any way it wants," McQuivey said. "But it is shortsighted.

"Because now Apple has given every publisher, producer, and distributor in the business a reason to actively pursue alternatives to the elegant apps that Apple had hitherto taught us to depend on," he said.

Dan Kennedy, an assistant professor of journalism at Boston's Northeastern University, said Apple's terms "seem so onerous that I just don't think that there's going to be many publications adopting this.

"Or if they do, they're going to be looking for the first exit out when something better comes along," Kennedy said.

More information: www.google.com/landing/onepass/

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