

Stop the presses: First iPad newspaper debuts

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Eddy Cue, vice president of Apple, attends the launch of The Daily, Wednesday, Feb. 2, 2011 in New York. The Daily is the world's first iPad-only newspaper. (AP Photo/Mark Lennihan)

A daily newspaper designed by News Corp. exclusively for Apple's iPad is available for \$40 annually, comparable to what some big-city publishers charge monthly to deliver their print editions.

The digital newspaper, called The Daily, debuted Wednesday in Apple Inc.'s App Store. News Corp. CEO [Rupert Murdoch](#) unveiled it in New York after weeks of anticipation.

The Daily is the latest example of how media companies are trying to mine the iPad's popularity for new streams of revenue. Last month, a company backed by The [New York Times](#) Co., The Washington Post Co. and USA Today publisher Gannett Co. launched Ongo, a website that, for \$7 a month, pulls together stories from various outlets in one place and lays them out in a clean, ad-free format.

Newspaper publishers are especially desperate because the print [advertising revenue](#) they have traditionally relied upon has been falling for the past four years.

News Corp. hasn't been as hard hit as many publishers, mostly because it can fall back on revenue coming from its ownership of the Fox television network and the 20th Century Fox movie studio. [News Corp.](#) also owns The [Wall Street Journal](#), one of the few newspapers able to sell a large number of digital subscriptions.

The Daily will cost 99 cents per week, substantially less than the Journal's iPad subscription rate of \$3.99 per week. The Daily is also available for \$39.99 annually — about the same as what the San Francisco Chronicle charges a month for home delivery and less than The New York Times' monthly rate of about \$47 in the New York City area.

Home delivery prices have risen sharply in the past few years as publishers have asked their subscribers to help offset the drop in advertising. The higher prices have contributed to circulation decreases as more readers get their news for free from the Web.

Murdoch says The Daily can afford a low price because it won't have to pay for printing presses or fuel to deliver editions. It will rely on reporters in New York and Los Angeles, as well as freelancers, to produce up to 100 pages of coverage focused on news, sports, gossip,

opinion and entertainment.

The Daily will be the first newspaper whose subscriptions will be billed directly through Apple's iTunes store. The Journal, by contrast, has been allowed to charge users of its iPad app through its own billing system. Apple typically keeps 30 percent of the revenue from sales made in its app stores.

The iPad's rising popularity presents The Daily with a vast audience to target. Nearly 15 million iPads were sold in just nine months last year and research firm Gartner Inc. expects 55 million tablets to be shipped this year. Most of those tablets will likely be iPads.

Newspaper analyst Ken Doctor believes less than 1 percent of [iPad](#) owners are likely to subscribe to The Daily, making it difficult for the digital newspaper to make money. He said The Daily's financial success will hinge on how much advertising revenue it can bring in, much like print editions.

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