

News aggregator Ongo to shut down

May 8 2012



A copy of USA Today is displayed in a newspaper vending rack in 2009. Online news service Ongo, which launched last year as a paid "aggregator" for various newspapers, said Tuesday it would close down by the end of the month.

Online news service Ongo, which launched last year as a paid "aggregator" for various newspapers, said Tuesday it would close down by the end of the month.

"We're in the process of formally winding down the business," chief executive Dan Haarmann told AFP, noting that the company was unable to raise additional funds to continue operations.

"I'm sad to see it go. We've learned a ton and had a wonderful experience and wish the market timing was different."

Ongo, which was launched in January 2011 with backing from USA

Today, The New York Times and The [Washington Post](#), had access to more than 100 publications by the end.

But Haarmann said the timing was not right, with free news still widely available and a small number of publications launching "paywalls," or subscriptions for online access.

Ongo was launched with a basic subscription cost of \$6.99 a month which gave a user [USA Today](#), The Washington Post, 20 articles a day from The [New York Times](#), as well as stories from Britain's [Financial Times](#), the Associated Press, and Reuters. The price was later cut to \$1.99.

Haarmann said he still believes there may be a market for a paid aggregator, which delivers news without advertising, and can make it easier to access news from various paid news organizations in one place -- but that the time is not right.

"What we're suffering from is there is still a lot of great, free content out there," he said.

That includes sites such as [Google](#) and Yahoo! which provide free news. Ongo also faced tough competition from news sites offering free or paid apps for tablets or smartphones.

"We built the business but we didn't gain traction early enough so the scale from a subscription point of view was not enough to support the business," Haarmann said.

He said he does not expect a bankruptcy filing.

"We're solvent, and will continue to work with our partners," he said. "I'm confident there won't be any [bankruptcy filing](#) and that we will

wind down gracefully."

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