

News 'micropayments' startup hits US market (Update)

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This photo provided by Blendle shows newspapers and magazines with stories available for purchase through the Blendle app. A test version of the news app launches in the U.S. on Wednesday, March 23, 2016. (Blendle via AP)

A Dutch-based startup that aims to get readers to make "micropayments" for individual news articles launched in the US market Wednesday with

a handful of high-profile media partners.

Blendle, the payments platform backed by The New York Times and German publisher Axel Springer, said its service in the United States would offer articles from Time Inc., The Wall Street Journal and The Washington Post, among others.

Readers will pay between 19 and 39 cents for newspaper articles and nine to 49 cents for magazine stories, similar to the rates in Europe.

Publishers keep 70 percent of revenue, with Blendle getting the rest. Users will be able to get a refund if they are not satisfied with an article.

Supporters of this model say it is an alternative to a "paywall" which requires readers to pay a regular subscription fee instead of a per-article price.

"Many young people show interest in quality journalism, but in times of information overload and clickbait it's really hard to find the best journalism being written every day," said Blendle founder Alexander Klopping.

Klopping said the service is most popular among the 25- to 35-year-old age group looking for news online without paywalls or advertising.

"Huge amounts of young people install ad blockers, because they are tired of ads," he said.

"In Europe, we've proven the potential of Blendle's model, signing up over 650,000 users."

Blendle will start with a pilot group of 10,000 users who sign up for the service.

Participants in the US launch include The Economist, Financial Times, Foreign Affairs, Newsweek, New York Magazine Bloomberg Businessweek, Fast Company, Mother Jones, Advertising Age and Huffington Posts Highline.

In 2014, Blendle raised three million euros (\$3.8 million) from Axel Springer Digital Ventures and The New York Times Company.

Rick Edmonds, media analyst at the Poynter Institute, said there is some reason for optimism about this model.

"More and more publishers are looking to generate reader revenue instead of just being dependent on ads," Edmonds said in a blog post

"Our expectation is that a platform like Blendle can help accelerate this trend."

Still, Edmonds said Blendle faces challenges in a US market which is very different from Europe's.

"Coverage in the United States cannot possibly be that comprehensive," he said.

"And there remains the uncertainty of how many American readers, with so much content available for free, will warm to the concept."

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