

Tech, media executives debate free vs. paid

July 25 2010, by Chris Lefkow



An issue of The Wall Street Journal is viewed in a vending machine in New York City on April 26. The Journal is currently the only major US newspaper to charge readers for full access to its website and one of the few to buck the trend of eroding circulation.

Top technology and media executives wrapped up a three-day conference in Aspen, Colorado, during which they grappled with -- and left unresolved -- the question of whether readers will pay for news online.

Firmly in the paid camp in the "paid vs. free" debate was [News Corp.](#)'s head of digital operations Jon Miller who said charging online readers is a notion that has been "accepted at a variety of levels."

"It's more about how it gets done," Miller told participants in the Fortune Brainstorm Tech event which ended on Saturday in this Colorado ski resort.

With newspapers and magazines facing competition from free content on the Web and declining circulation and print advertising revenue, Rupert Murdoch's News Corp. has been leading the charge to get newspaper readers to pay online.

The Wall Street Journal, a News Corp. title, is currently the only major US newspaper to charge readers for full access to its website and one of the few to buck the trend of eroding circulation.

Another News Corp. paper, Britain's The Times, erected a pay wall around its website at the beginning of July and Murdoch has said he will eventually do the same at all of the newspapers in his vast stable.

Miller said charging readers is "an idea whose time has come," but others disagreed including Jimmy Pitaro, Yahoo!'s vice president for media.

"We firmly believe that free is the future," said Pitaro, whose Yahoo! News is one of the most popular news destinations on the Web.

"The feeling is that when other people are charging they're kind of driving people to free alternatives," the Yahoo! executive said.

Pitaro said there were some publications with very strong brands or niche audiences that could get away with charging and cited The Wall Street Journal, which Miller said has attracted more than one million digital subscribers.

Brian Sugar, founder and chief executive of Sugar Inc., which operates a series of sites geared towards women including PopSugar.com and ShopStyle.com, said he had no plans to charge and invited his rivals to do so.

"We love paid... for our competitors," he said.

"We believe Conde Nast, Time, People, In Style, Glamour -- all of them should charge because we're going to maintain our content as free," he said. "We look at our content as a marketing vehicle to grow our audience."

News Corp.'s Miller also said tablet computers such as Apple's iPad offered great opportunities for the news industry to develop paid applications.

The iPad and other tablet computers being developed offer "very media rich experiences that I think do allow a re-set, perhaps a do-over for the media industry, a chance to get it right," Miller said.

Sugar dismissed a belief in applications as a potential saviour for a traditional [news](#) industry he said was grasping at straws.

"For content publishers I think like every eight to 12 months there's the new shiny object you can go to (advertising) agencies with, and I think apps for content companies are currently that," Sugar said.

"They need something to hang their hat on and the hat is apps," he said.

Trip Adler, co-founder and chief executive of Scribd, the social publishing and reading website, said charging for content might be possible "if there was a better payment infrastructure on the Web."

"The current payment systems that work really well on the Web such as iTunes or the Kindle ecosystem have users' credit card numbers, a lot of user loyalty and it's really easy to make a purchase," he said.

"If there was one pan-ecosystem for the entire Web and you could

purchase any piece of content for say 25 cents, that I think would dramatically increase sales on many of these websites," he said.

Yahoo!'s Pitaro said he didn't believe it would make much of a difference.

"Ease of payment is one component but from my perspective it doesn't matter how easy it is to pay if your competition is free," he said.

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