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http://latimesblogs.latimes.com/entertainmentnewsbuzz/2009/08/steve-brills-journalism-online-venture-signs-on-500-newspapers-.html

Steve Brill's Journalism Online venture signs 500 newspapers

August 14, 2009 | 9:53 am

Journalism Online, a startup created to help publishers charge for digital content, said it has reached preliminary agreements with 506 newspapers, magazines and online news sites that reach more than 90 million monthly visitors.

Representatives of the venture, whose founders include Steve Brill, creator of CourtTV, and Gordon Crovitz, former publisher of The Wall Street Journal, have been meeting for months with major newspaper and magazine publishers, who have grown increasingly interested in charging for online content as traditional advertising revenue plummets.

"The scale here I hope indicates to people that there's a real change going on, and there is an accelerated trend among publishers to move toward the paid model online," said Crovitz, who for more than a decade ran the Journal's online site, which now boasts more then a million online subscribers.

The venture remained curiously mum about which news organizations will use Journalism Online's commerce platform to begin charging for select digital content. Several publishers said they had not signed on with the venture, including Dow Jones, publisher of The Wall Street Journal; the McClatchy Co., the nation's third-largest newspaper company with 30 dailies; and the Tribune Co., publisher of the Los Angeles Times and the Chicago Tribune.

The Gannett Co. Inc., publisher of 84 daily newspapers, including USA Today, and The New York Times Co., refused to comment.

The idea of newspapers charging for online content has been swiftly gaining momentum.

News Corp. Chief Executive Rupert Murdoch told investors last week that the company will be charging for content on "all of our news websites."

The New York Times, which had abandoned an earlier experiment with charging for premium content, such as newspaper columns, is researching how much readers would be willing to pay for online content.

Journalism Online said its technology would give publishers flexibility in how they charge for digital content, including collecting monthly subscriptions or micro-payments for individual articles. Its estimates that a website that attracts 1 million monthly visitors could reap additional annual revenue of $5 million to $10 million.

-- Dawn C. Chmielewski

Journalism Online: Selected Clips on Fee Media

http://www.journalismonline.com/press.php

Newspapers join online payment platform

By Kenneth Li in New York

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http://www.ft.com/cms/s/0/5e64a656-885f-11de-82e4-00144feabdc0.html?nclick_check=1

More than 500 newspapers and magazines are joining Journalism Online, an online payment platform being launched in the autumn, as the advertising-starved news business seeks refuge in charging for content.

The company, founded by three media veterans, did not name participants, but suggested that they could generate an annual $50 to $100 per subscriber from the websites' most active 10 per cent of viewers with minimal loss of visitors.

The plans to launch an electronic payment system come as Rupert Murdoch's News Corp this month announced plans to charge readers of all of the company's news properties – from The Times in the UK and Papua New Guinea's Post-Courier to the Fox News website.

Consumers will log into the Journalism Online system once to access a portfolio of news from various providers' websites and electronic platforms.

The issue of charging for content that has been previously offered for free online has riven the media industry across print and video with proponents of free access arguing that locking content behind subscription walls undercuts the basic tenets of internet business.

Global newspaper publishers, suffering through the worst year in business in recent memory, are expected to see a 10.2 per cent decline in revenue from last year to $163.8bn this year, according to a recent PwC study, driven by a steep fall in advertising spending. Newspapers are hoping to replicate the success of publications that have managed to generate revenue from online payments, including News Corp's Wall Street Journal, and the Financial Times.

Some 176 daily newspapers and 330 non-dailies, as well as "leading global news websites", will this autumn begin testing up to 16 different forms of payment schemes, according to Journalism Online.

"Journalism Online has helped shift the debate over charging for online news from 'if' to 'when and how'," said Steven Brill, co-founder of Journalism Online and founder of Court TV.

The other co-founders are Gordon Crovitz, former publisher of The Wall Street Journal, and Leo Hindery, the managing partner of InterMedia Partners and former chief executive of TCI, the largest US cable operator of its time.

The company estimates that under one scenario, a website with 1m monthly online visitors could expect to earn new revenues of $5m-$10m and one with 5m online visitors could expect new revenues of $25m-$50m over time. One possible approach, which offers some of a news website's materials for free while charging for more advanced features, could attract 5-15 per cent of a site's readers to pay an average of $50 to $100 a year, Mr Crovitz said.

More Than 170 Dailies Sign On with Journalism Online
By Jennifer Saba
Editor & Publisher
Published: August 13, 2009 3:25 PM ET

http://www.editorandpublisher.com/eandp/news/article_display.jsp?vnu_content_id=1004003036

NEW YORK Journalism Online, the company that plans to help publishers monetize content, has signed 176 dailies as affiliate partners. In total, more than 500 newspapers, magazines and other sites have agreed to join Journalism Online representing more than 90 million monthly unique users.

Publishing affiliates will be able to select their own pay models. Journalism Online is offering a variety of ways to do that including technology that allows for micropayments, sampling, the ability to turn off the system at will, and the ability to convert users from micropayments to a subscription model.

"By creating a platform of flexible hybrid models for paid content that maximizes online advertising revenue while creating a new revenue stream from readers, Journalism Online has helped shift the debate over charging for online new from 'if' to 'when and how,'" Steven Brill, co-founder of Journalism Online, said in a statement.

Brill added that many publishers have moved past the "abstract debate" and are now working toward some kind of paid content model. The executives of Journalism Online figure that by focusing on 10% on avid readers, on average a Web site would keep 88% of page views and 91% of ad revenue if it put in place a paid-content strategy.

Gordon Crovitz, co-founder of Journalism Online, said that he noticed a change in thinking among content providers over the past several months. "Every publisher we have met with is now seeking to generate revenues for online access, which is a huge shift in strategy," he said in a statement.

One of the tools Journalism Online is touting allows readers to have one account to access content across multiple Web sites and platforms.

"All decisions with respect to how to charge, what to charge, whom to charge or how and whether to bundle print, online and e-reader subscriptions will be left to each publisher," Brill said. "They could make any number of decisions, including deciding not to do anything once they consider all of the options we develop for them."

Journalism Online declined to name the affiliates involved with the company.

Jennifer Saba (jsaba@editorandpublisher.com) is an E&P senior editor.

Steve Brill's Journalism Online gets customers

By Matthew Flamm, **Crain's, Published:** August 13, 2009 - 3:46 pm

http://www.crainsnewyork.com/article/20090813/FREE/908139981

The closely watched plan to get online users to pay to read news stories has taken another step forward.

Journalism Online, the e-commerce startup dedicated to helping news Web sites monetize their content, has reached agreements with 506 newspapers and magazines, the New York-based company announced Thursday. The tally includes 176 daily papers.

Together with what are described by the company as "leading global news sites," the properties that have signed letters of intent to become Journalism Online affiliates represent more than 90 million monthly visitors from around the world.

The affiliates will identify themselves and explain their individual payment plans in separate announcements, according to the company.

Founded by media veterans Steven Brill, Gordon Crovitz and Leo Hindery, Jr., Journalism Online offers a range of payment options that target the most loyal 10% of a site's audience, with the aim of wringing subscription fees from readers without driving away users and hurting advertising. The company will also offer a single payment platform for multiple sites and properties.

Publishers "are rolling up their sleeves to figure out with us exactly what kind of package is right for them," Mr. Brill said in a statement.

The company expects publishers to be able to charge $50 to $100 annually per subscriber. The services will launch in the fall.

Some analysts have questioned whether most newspaper Web sites will be able to offer content that readers will want to pay for, but Journalism Online remains confident that its model will work.

"What we have seen across the spectrum of these affiliates is that each can likely create an offering that is distinctive and will appeal to the segment of its online audience that reads them most regularly," Mr. Crovitz said in the statement.

jupiterimages

DAILY FINANCE

Charging for content online: Some remedial math

http://www.dailyfinance.com/2009/08/18/charging-for-content-online-some-remedial-math/print/

Jeff Bercovici
Aug 18th 2009 at 9:30AM

The conventional wisdom on whether and how newspapers ought to charge for their online content is changing so rapidly, some people are having trouble keeping up. One of those people is *Washington Post* media critic Howard Kurtz, who Monday repeated one of the favored fallacies of the information-must-be-free crowd: that publications that try to squeeze some cash out of readers, however delicately, risk losing their audiences.

Kurtz writes:

Unless the movement becomes a stampede, pay-wall sites may see traffic nosedive as the information-wants-to-be-free crowd heads for the exits. At that point, we will know whether enough people are willing to pay something, anything, for decent reporting.

Taking the handoff from Kurtz, *Gawker's* Ryan Tate predicts that Rupert Murdoch will reverse himself on charging for access:

Whichever publishers are first to charge for content will be first to see their Web traffic drop -- like 90 percent -- if they wall off everything to just subscribers. Especially if their competitors don't also erect their own paywalls. It could be catastrophic for smaller brands who wall off their content while everyone stays free.

Surely that's true, as far as it goes. But who's talking about walling everything off to just subscribers? Not Murdoch, as I've noted, and surely not Steve Brill and Gordon Crovitz, who say that publishers who sign up with their paid-content venture, Journalism Online, and adopt a "freemium" pricing strategy, can expect to hang onto 90 percent of their page views.

I'm not saying they're right, necessarily. Maybe just the thought of ever being asked to produce a credit card will scare readers so much that they'll stay away. That hasn't happened to *The Wall Street Journal* or the *Financial Times,* but who knows? Until it does, though, it seems like the naysayers, not the paid-content experimenters, are the ones living in a fantasy world.

Charging for newspapers online

Now pay up

Aug 27th 2009
From *The Economist* print edition

http://www.economist.com/businessfinance/displayStory.cfm?story_id=14327327

Newspapers have plenty of options for charging online, but no sure bets

IF NEWSPAPER bosses keep their promises, the next few months will see a decisive retreat from free news online. This summer senior figures at big media firms such as News Corporation, Axel Springer Verlag and MediaNews Group have all threatened to start charging. Companies representing more than 700 newspapers have expressed interest in the online-payment platforms being developed by Journalism Online, an American start-up.

It will not be easy. For ten years readers have been enjoying free news online, and the BBC, public-radio stations and commercial television-news outfits such as CNN will continue to supply it. A newspaper that tries to charge will jeopardise online advertising, which often accounts for 10-15% of revenues. But if the obstacles are many so are the potential solutions

The simplest approach, favoured by a small but growing number of American regional newspapers, is to erect a pay wall around virtually all stories. Print subscribers are often—but not always—allowed to read articles free of charge. Everybody else must pay, often quite a lot. The *Newport Daily News*, a small Rhode Island newspaper, recently began charging $345 per year for online access to stories.

Few opt to pay such sums. Fully 170,000 people buy the *Arkansas Democrat Gazette* every day compared with just 3,500 online subscribers. "It does not justify itself as a revenue stream," admits Walter Hussman, the paper's publisher. In fact, the *Democrat Gazette*'s pay wall is more of a revenue dam, intended to stop the flow of readers (and, thus, advertisers) away from print. Since 2002, when the paper began charging online, its average daily circulation has dropped by less than 1% a year—rather better than most.

The newspapers that have built successful pay walls tend to hold virtual monopolies over news in their region. Grupo Reforma, a Mexican newspaper outfit that has attracted some 107,000 web subscribers, is an important exception. It serves them not just news but exclusive job advertisements. Along with a weekly society magazine distributed only to subscribers to the printed version of *Reforma* in Mexico City, that helps the title cultivate an air of exclusivity.

Some publications have tried charging for a digital simulacrum of their print editions, with a more familiar design and layout than their websites, which can often be downloaded as a single package. The *Süddeutsche Zeitung* sells an "e-paper", as does the *New York Times*, in the form of the elegant Times Reader. The latter is also one of the many papers that have created applications for Apple's iPhone, Amazon's Kindle and other mobile devices. Many publishers hope that people will come to accept the idea of paying for mobile news, as they pay for text messages. But the line between computers and mobile devices is blurring as new gadgets of varying sizes appear (see article).

Another option is to charge for just some content. In Britain, where fierce competition between national dailies probably rules out all-encompassing pay walls, newspapers nonetheless charge for crossword tips and participation in fantasy sport leagues. German newspapers commonly charge for articles from the archives, which may not be all that old. The theory is that a person who tracks down an out-of-date article or a crossword clue probably cares enough to pay for it.

The greatest exponent of the niche approach, with more than 1m online subscribers, is the *Wall Street Journal*. Roughly half of its articles—generally financial news and insiderish business reports—sit behind a pay wall, although they are free if accessed via Google News.

This approach is much harder to emulate than it may appear. Between 2005 and 2007 the *New York Times* charged a subscription fee to read the paper's most popular columnists online. It ended the experiment because it seemed to be cutting traffic to the site and harming advertising revenue. The *Los Angeles Times* dropped an attempt to charge for arts coverage for the same reason. A newspaper that wants to follow the *Journal* must produce copy that is both narrow in its appeal and useful.

The *Financial Times* (part-owner of *The Economist*) keeps readers on a meter, by charging those who look at more than ten articles a month online. This model has one big advantage: it is easier to adjust than a pay wall. A newspaper might, for example, respond to a buoyant market for display advertising by allowing people to read more free articles each month.

Lurking in the background are methods that have been discussed more than tried. The first is to charge readers for individual articles. This works in music. Experiments with "micropayments" have been held back by the fact that stories are much more perishable than songs, and by transaction costs. But small payments are becoming cheaper and easier to process. Both the *Journal* and the FT have hinted that they will test micropayment systems.

A final approach is to harry online aggregators such as Google News, which indexes stories, for a share of their advertising revenues. That would at least bring some emotional satisfaction.

Charging for newspapers online

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September 11, 2009

Lots of Fee Ideas for Media Online

By RICHARD PÉREZ-PEÑA, NY TIMES
http://www.nytimes.com/2009/09/11/business/media/11paper.html?_r=1

Five months ago, a group of media executives including Steven Brill seemed to have the field to itself when it said it was building a system for newspapers to charge readers for access online. Now, that group appears have a lot of company, like the News Corporation, led by Rupert Murdoch, and the technology giants Google, Microsoft and I.B.M., whose interest was first reported this week.

But publishing executives and analysts caution against concluding that this proves there is a robust competition to develop such systems, or even that newspapers will rush to join any of the projects. The contributions of Google and some others are little more than a set of ideas, written up at the request of the Newspaper Association of America, which inadvertently made them public on its Web site.

The News Corporation has a track record, thanks to its ownership of The Wall Street Journal, which has one of the largest paid news Web sites, but industry executives say that no other large publisher has signed on to use its system. Payment processing software like PayPal and Google Checkout could be adapted to meet publishers' needs, but were not intended for them.

Journalism Online, created by Mr. Brill; L. Gordon Crovitz, a former publisher of The Journal; and Leo Hindery Jr., a veteran media executive, says that within months it will have a system operating and in use by hundreds of Web sites.

That would give it an enormous head start over potential competitors, but the company does not yet have a track record or a proven product.

"There is no unanimity among publishers about what to do — whether to charge for content, how to charge, whose solutions to use — and most people in the business still don't believe they can put up a pay wall without repelling a large part of their audience," said Alan D. Mutter, a media entrepreneur and consultant. "I doubt you're going to see a lot of companies spend a lot of money building a system for the newspaper industry as long as there's no resolve on the part of the industry about what they want to do."

(Mr. Mutter was a partner in a venture, which he says is now dormant for lack of interest, to collect more data on Internet readers and use that to tailor ads to them — and possibly to make a transition to online charging.)

Even among publications that would be interested in an online payment system, analysts say, many would first need to invest in upgrading their computer systems, particularly their reader databases, at a time when many newspapers and magazines are squeezed for cash.

A few journalism Web sites have charged readers for access to some or all of their content, including those of The Journal, Consumer Reports, The Financial Times and, from 2005 to 2007, The New York Times. Until last year, the industry consensus was that charging would be self-destructive because it would restrict readership and erode ad revenue, but publishers have warmed to the idea in the face of a steep advertising decline.

They have explored a complex range of options like weekly or monthly subscriptions online, charging by the article, allowing readers to see a certain number of articles or a portion of an article before the pay requirement takes effect, and letting readers buy access to publications one at a time or in groups.

The newspaper association said it had asked 13 companies, including Journalism Online, to submit proposals, which it posted on its Web site over the summer. Google's proposal, for instance, focuses on products it already offers, like Checkout.

Along with several others, "Google was not a company that we were aware of that was approaching newspapers with transaction solutions," said Randy Bennett, the association's senior vice president of business development. "Some others had been working with newspapers on pieces of this, but they hadn't been particularly public or vocal about trying to develop solutions for this industry."

Brian J. Pitz, a technology analyst at UBS Investment Bank, said it was hard to gauge how serious the technology companies were. But what would make sense, he said, is for a company like Google to develop a system for newspapers to manage all of their online content, not just the payment function — "That's what they do, is organize information" — but it's not clear that publishers see it that way.

The Journal has charged online since the mid-1990s, and Mr. Murdoch has said that in the near future all of his company's news sites will charge for access.

For more than a year, The Journal has been building a new payment system, called mosaic, to replace the current one. It is a version of that system that News Corporation hopes to spread across the company and has been offering to sell to other companies, focusing on a handful of major publishers like the Tribune Company and Hearst Corporation. But other publishers have been reluctant to rely on a competitor.

Mr. Brill, the founder of CourtTV and American Lawyer magazine, and Mr. Crovitz said on Thursday that Journalism Online had nonbinding letters of intent from companies that own more than 1,000 news and information Web sites — large and small, domestic and foreign — but would not name any of them. Mr. Brill said he expected a beta version of a payment system to go into use in November or December, and be in use within months on hundreds of sites.

Journalism Online says it will keep 20 percent of the revenue collected by each publisher

In the first half of this year, Mr. Brill said, conversations with publishers went from "Gee should we charge for content?" to "how and when and what."