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Strong Press, Strong Democracy

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A Tale of Two Paywalls

One goes up, the other comes down

By Alysia Santo

In Honolulu, the *Civil Beat*, a subscription-based online news site, has been drawing a line in the white hot Hawaiian sand and asking the state's news consumers to choose a corner: new media startup vs. legacy media organization.

Their opponent is the *Honolulu Star-Advertiser*, a newspaper birthed out of a consolidation of the *Honolulu Advertiser* and the *Star Bulletin*, and, subsequently, the only daily newspaper on the island of Oahu. Just as this merger was taking place a year ago, the *Civil Beat* was launching its site (full access to which costs \$19.95 a month) and priding itself on community engagement and representing an ad-free alternative to the media establishment in Hawaii. (Read the News Frontier Database profile of the *Civil Beat* [here](#).)

The *Civil Beat* has also served up quite a bit of media criticism aimed at its biggest competitor. Calling Honolulu a “one newspaper town,” it has criticized the *Star-Advertiser* many times, from the restaurant section's non-disclosure of [editorialized advertisements](#), to its [boasting of numbers growth](#) even though it was now the only paper in town.

The most recent challenge came last Wednesday, when the *Star-Advertiser* introduced a [tiered digital subscription system](#), costing \$9.99 a month or \$50 a year for Oahu residents, \$4.95 a month or \$25 a year for residents of Hawaii, and \$1.95 a month or \$10 a year for all those outside Hawaii. The move effectively blocks about 50 percent of the site's content from those who do not pay (visitors to the site can still see breaking news, weather, traffic, and obituaries). As publisher Dennis Francis puts it, “Anything that our local reporters have gone out and hustled for will not be free, with the exception of breaking news.” Those who had a print subscription, which costs \$19.95 a month, get the digital version for free.

The *Civil Beat* knew this paywall from the *Star-Advertiser* was on its way, and planned

accordingly. Matching the *Star-Advertiser* by reducing its monthly subscription price from \$19.95 to \$9.99, the site then proceeded to publish a number of **articles** on the matter, even hosting a **discussion, admittedly** using the *Star-Advertiser*'s business move for promotional purposes of their own. Dan Zelikman, the marketing and community host for the Civil Beat, says when the *Star-Advertiser* started charging for online content, "We felt that put us on an even playing field." The Civil Beat started aggregating breaking news, sports, business, and entertainment content, to fill in the gaps of what their site did not yet offer, "and then we just started going head to head with them," says Zelikman. The discounted subscriptions will return to full price at the end of September.

The story recently got attention from Nieman Lab in an article titled "**Hawaiian Punch! A paywall showdown in Honolulu.**" But on closer look, this "media battle" could more accurately be explained as two outlets with vastly differing levels of resources and readers existing in the same location. Francis says the decisions made at his newspaper are not predicated on what the Civil Beat is doing. "It's fun to talk about, but in reality I would not use the word war or battle. [The Civil Beat] is a good site, they do what they do, and we do what we do," he says.

Rivalry aside, the fact is, while the Civil Beat is a startup with a unique model, they have a staff of fourteen, total. The *Star-Advertiser* has 116 journalists, and that's not counting technology, business, and editorial staff. The Civil Beat does not release numbers of registered users, but would say that in one year they had accumulated 500,000 unique visitors to the site. The *Star-Advertiser* says it gets about 20 million hits a month, and has seen over 2300 people pay for the digital subscription and 15,000 print subscribers activate their free digital accounts since last Wednesday.

This seems less like a showdown between equals than a clever move by a startup company. This is not to say that the Civil Beat should be expected to match the *Star-Advertiser*'s footprint, or even to blame the Civil Beat's approach of challenging the only newspaper around. They are not being disingenuous. The numbers just don't yet match the rhetoric, and reporters should keep that in mind when covering the story and others like it.

The Civil Beat says its subscription numbers have risen since the 50 percent off promotion began, but it wouldn't say by how many. It looks like positioning yourself against an established media organization, especially the biggest one in town, can be a powerful way to market yourself to readers. Fans—and media watchers—love the underdog.