

Star-Advertiser to charge for premium online content

By Allison Schaefer

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The Honolulu Star-Advertiser will begin charging for premium online content Aug. 3, joining an industry trend that has accelerated since the beginning of the year.

Subscribers to the print edition will receive all-access passes to premium online content at no extra charge. That will allow access to all website content and includes a new e-edition, a digital replica of the print edition. Star-Advertiser content can be delivered to a subscriber's computer, iPad, iPhone or smartphone.

READ ALL ABOUT IT ON MONDAY

Monday, the first day for subscribers to activate their digital account, the Star-Advertiser will have four pages of details about the premium content plan and how it will work.

Starting Monday, print subscribers can go to staradvertiser.com to sign up for free digital subscriptions.

Beginning Aug. 3, others can subscribe for \$19.95 a month to an all-access package, which includes the print edition and the premium online content. Readers who want to forgo the print edition or live outside of the newspaper's delivery area will be offered special rates to digital-only premium content on a daily, monthly or annual basis.

With this step, the Star-Advertiser joins scores of other daily newspapers in communities large and small across the country, from The New York Times and

Dallas Morning News to the Albuquerque Journal and The Citizen in Key West, Fla., that charge to view their online content, said Star-Advertiser publisher Dennis Francis.

"Our next-generation products such as our premium content, e-editions, apps for notebooks and tablets, e-readers and PDAs will all play an important part of our future," Francis said. "We will deliver the news and information to readers when they want it, where they want it and, most importantly, how they want it."

At least 25 percent of U.S. newspapers charge for online content, and a survey by the University of Missouri-Columbia indicates that in the next couple of years most newspapers will adopt this business model, Francis said. Based on that survey, as many as 60 percent of U.S. newspapers might charge for online content within a year, he said.

"We understand that news outside of what our local reporters generate can be had elsewhere and for free, but there are literally thousands of such stories each day," he said. "Our professional journalists work through these each day to produce a lively, informative and entertaining newspaper each and every day of the year."

The digital content that Star-Advertiser journalists produce for subscribers will be marked with a clickable blue star, Francis said. Subscribers also will have privileges that include the ability to forward stories to their email or social media accounts, participate in online discussions and open links to premium content.

Nonsubscribers still will have free digital access to

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several areas, including breaking news, Associated Press stories, the website's front page and section fronts, event calendars, Honolulu Pulse, TGIF, photo galleries, blogs, classifieds, travel, obituaries and traffic, Francis said.

The Star-Advertiser's new all-access paid premium print and online model represents next-generation thinking within the newspaper industry, Francis said.

"Frankly, the newspaper industry should have adopted this approach 10 years ago, but the thinking was a ways on page views and unique site visits," he said. "We all thought that, like in the print model, the more circulation you had or, in this case, page views, the more desirable for advertisers. What played out though is that people utilize advertising on the Internet much differently and the ad dollars never really materialized in any significant way."

Francis said the move to paid content was not an indication that he expected the print product to erode but "simply another approach and another arrow in our quiver. We have always been a media company with literally dozens of other products and revenue streams other than the daily newspaper."

Papers across the nation are implementing or discussing paid content as a way to tap into new revenue streams, said Jim Brady, a digital consultant for Pennsylvania-based Journal Register Co. and others.

"Papers are trying to make up the costs for putting up the paper every day," Brady said.

Ken Doctor, author of "Newsonomics" and owner of Newsonomics.com, said some smaller and midsize papers have struggled with paid content online. However, the industry should be encouraged by The New York Times' experiment with charging for online content, he said. The Times began its online-pay model in March.

"It shows that even a publication that has essentially been free can make the transition and get younger people to pay for access," Doctor said.

In some cases, offering premium online content has reduced the turnover of subscribers for the print edition, and the most successful have netted a base of new subscribers, he said.

The New York Times, whose digital version gets about 33 million unique visitors a month, aims to convert 1 percent of those viewers to subscribers, which would

add 330,000 to their circulation, he said.

"The key to doing that is to produce a robust product, especially one that uses tablet and smartphones to really meet the needs of the future," Doctor said.

Brady has been skeptical about charging for online content because it can reduce page views and make content less discoverable. However, he pointed to the Wall Street Journal, Consumer Reports and the Financial Times as examples of publications that have been successful at charging for online access.

"If you have something else that no one can produce, readers might be willing to pay for it," he said.

Francis said that while there may be an initial decline in page views related to the transition to charging for premium content, he expects any drop to be minimal.

The Star-Advertiser's print circulation remains steady and is higher than the circulation of either The Honolulu Advertiser or the Honolulu Star-Bulletin before they consolidated into the Star-Advertiser, said David Kennedy, Star-Advertiser senior vice president of marketing. The Star-Advertiser's print edition is read by 500,000 adults each week, with its paid circulation placing it 60th in the nation for daily newspapers out of nearly 1,300, Kennedy said.

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