

Updated: Honolulu Star-Advertiser Latest Paper To Add Paywall

By <u>Laura Hazard Owen</u> Aug 3, 2011 5:00 AM ET

The <u>announcement</u> is accompanied by a picture of publisher Dennis Francis wearing a Hawaiian shirt, but the news is all business: *Honolulu Star-Advertiser*, Hawaii's largest daily newspaper, starts charging for online content today. Unlike the metered model that Lee Enterprises (<u>NYSE: LEE</u>) <u>turned on</u> earlier this week, online access is free for print subscribers.

A digital subscription includes full access to all of the content and archives on staradvertiser.com and a digital replica of the printed newspaper that can be read on computers and mobile devices. Existing print subscribers get free digital access. Non-print subscribers can either sign up for an "all-access" package for \$19.95 per month, which includes digital access and a print subscription for one person, or purchase a digital-only subscription—the price of which varies based on location. **Update:** Oahu residents pay \$9.99 per month or \$50 per year; other Hawaii residents pay \$4.95 per month or \$25 per year, and those outside the state of Hawaii pay \$1.95 per month or \$10 per year. The site is also offering a \$0.99 day pass, primarily aimed at tourists and former tourists who are interested in specific events.

The *Star-Advertiser* is not the first news outlet in Hawaii to charge for online access. The <u>Honolulu Civil Beat</u>, <u>launched last year</u> by eBay (<u>NSDQ: EBAY</u>) founder Pierre Omidyar, is an online-only Hawaiian news site that <u>presents itself</u> as a direct—and advertising-free—competitor to the Star-Advertiser. In a post on the site today, president Randy Ching writes, "Why pay for the newspaper when you can get Civil Beat? ... There is no advertising on Civil Beat. And we like it that way. On our website and mobile app (which we just launched!), you won't find any annoying ads. Just news. Better yet, we don't worry about upsetting advertisers—because we don't have any." Civil Beat is also <u>introducing</u> a promotional subscription price of \$9.99 per month—half off the usual rate.

But the *Star-Advertiser* has an enticement of its own: Current print subscribers who activate their digital account and new subscribers are automatically entered to win an iPad 2. The newspaper is giving away two iPad 2s each week through September 2.

Breaking news, the front page and section fronts, AP articles, weather, calendars, photos, blogs, classifieds, travel, traffic, obituaries, the *Honolulu Pulse* magazine and the paper's <u>Breaking News mobile app</u> will remain free. Website visitors do not get any other free page views (like the 20 the *New York Times* offers, for instance) before the paywall kicks in.

Update: Only paying subscribers will be allowed to comment on articles on the site. "It's our belief that this section has significant value and should be reserved for subscribers," said Dave Kennedy, SVP marketing at the *Star-Advertiser*. "We expect the number of comments to decrease, but it will also reduce the number of anonymous and off-topic comments. This will provide for a more civil platform of discussion."

The *Honolulu Star-Bulletin* and *Honolulu Advertiser* consolidated to form the *Honolulu Star-Advertiser* in June 2010. The paper says its average weekly readership is 493,303, and its website receives over 19 million monthly pageviews. **Update:** The Honolulu Civil Beat does not disclose subscriber numbers, but said that it had about 500,000 unique visitors (not all of whom were paying) in its first year of publication.