

News Corp, a fee for what's free

Rupert Murdoch, the leader of News Corp, is on a mission to get people to pay for his company journalism. He's even threatening to pull News Corp content off Google and to do an exclusive deal with Microsoft instead. Has he lost the plot? If he actually does it — and I doubt he will — it will be an audacious move. But it's also one that is likely to fall flat on its face.

 By [Duncan McLeod](#) 30 Nov 2009

We all know the story by now. The Internet is inflicting enormous damage on print media as readers abandon newspapers for the almost limitless supply of free content on the Web.

The latest US newspaper circulation figures paint a grim picture of an industry in steep decline.

It's not that the readers have disappeared. It's just that a growing number of them prefer to read their news online.

The problem is that newspapers haven't figured out how to make enough money from the Web to fund the sort of journalism they do (or used to do) in print.

Few have dared to throw up pay walls around their websites. Most big news stories are covered by any number of online news sources, so people will simply click on a link where they don't have to pay. Most newspaper publishers that had pay walls around their websites removed them long ago.

So Murdoch took everyone by surprise in August when he announced that he intended to construct pay walls around News Corp websites, including The Wall Street Journal, The Times of London and The Sun

“An industry that gives away its content is cannibalising its ability to do good reporting,” Murdoch said at the time.

Nothing has changed to make people more inclined to pay for online content. The Wall Street Journal may make it work. The Journal did once before — the sort of quality financial news and intelligent analysis it produces is worth a premium. However, general news websites that throw up pay walls will simply lose the readers.

I find it hard to believe that Murdoch doesn't understand this. He may simply be posturing, hoping to cajole other newspaper publishers into joining him.

If all the world's newspapers were to start charging for online news, perhaps they could convince readers to open their wallets. But Murdoch can't collude with his rivals to do this or he'd be in trouble with regulators faster than he can say “antitrust investigation”.

If anything, Murdoch is taking on Luddite trappings. Last week, he said he would remove News Corp content from Google's content aggregator, Google News.

Google takes headlines from news sites around the world and ranks them using various algorithms to create its own news site. People who click on headlines in Google News are directed to websites operated by

publishers, helping drive vast amounts of online traffic.

If Murdoch removes News Corp websites from Google News, it's Murdoch's business that will suffer, not Google's. It's nonsensical and suggests that Murdoch doesn't understand the dynamics of the Web.

News Corp says it is in discussions with Microsoft about offering its content exclusively to the software maker. But that also makes no sense. Google is the dominant online search engine, and Google News is the dominant news aggregator. Microsoft's search engine, Bing, is almost irrelevant.

Talk is that Microsoft is prepared to pay News Corp for access to its content. But would this be sufficient to offset a decline in advertising revenues following an inevitable decrease in traffic to News Corp? It's unlikely.

Murdoch may have some sort of grand plan to make money on the Internet. If he does, it's hard to figure out what it is. Either he's on to something the rest of us are too thick to see yet. Or he has genuinely lost the plot.

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