Digital media Robert Andrews

Pay-to-read - cash cow, or red herring?

It's no coincidence that newspapers, many of which have seen a third of their income wiped out, are again contemplating raising the paywall. That's not because they want to - it would instantly diminish their editorial influence - but because they have to. Reader payments may be the only surefire cash generator left at the moment.

Rupert Murdoch's insistence that his websites "will be followed by all the media" in charging for content, the FT's bravado about its own charging model, and warnings from Guardian Media Group about diminishing ad income are all bringing us closer to an unthinkable watershed: the end of free online news.

But while panicky publishers increasingly view pay-to-read as an escape hatch to profit, it may also be a trapdoor to oblivion.

Currently, in an effort to capture eyeballs for advertisers, the top seven UK newspaper sites duke it out for the largest share of 140 million or so unique users, finding their editorial influence extended to new markets in the process. They know, however, that only Google has profited handsomely from the web ads boom, and newspapers' underlying economics appear increasingly ill-suited to supporting growing user figures.

Charging readers may placate shareholders in the short term - but a switch from free to paid-for content would go against the furrow ploughed by papers since the birth of the web, and against the mantra of most online content: "information wants to be free".

FT.com and News Corp's WSJ.com are blessed by offering business information to corporate audiences with deep pockets. Murdoch's belief that WSJ.com's subscription success can be replicated at the Sun and Times Online may be misplaced, not least because consumer news can be found just a mouse-click away. In fact, the details of Murdoch's vision remain vague, and suggest a general decree that his footsoldiers find more income streams rather than a one-size-fits-all paywall masterplan.

Some speculate that the Sunday Times will be first to jump behind the wall, but it may be the wrong paper to do so. Readers may value the tactile experience of reading Sunday supplements at leisure, but will they pay to be wedded to the laptop on their weekends off?

The truth is that many people find online stories not through brand loyalty or by entering through the homepage, but by chance, through aggregators and referrals. That does not just mean the oft-criticised Google News: Digg.com, the Drudge Report and a million blogs, emails, instant messages and tweets now introduce readers to articles because of their intrinsic, individual value.

Newspapers that raise a paywall may find paying customers among some of their most loyal domestic fans - but they will shut out all the serendipitous readers, perhaps ending sites' global ambitions. The result would see BBC News, of course, attract more traffic. But a march to paid could also mean an opportunity for grassroots bloggers and redundant newspaper reporters, many of whom are promising to build alternative news sources worth their name.

> Newspapers know that only Google has profited from the web ad boom

In reality, in any case, paid content is already here: Times Online's crossword costs £4.95 a month, readers can pay to enter fantasy football contests, the new MirrorFootball.co.uk site offers archive soccer memorabilia. But it's an unwise paper that puts a paywall around its entire site. Newspapers have specialist audiences for their different sections, so we are more likely to see piecemeal pay-for options targeted at niche readers.

Murdoch and the FT are trying to bring publishers to a consensus on paid content. Already successfully charging per month and per year, FT.com has now announced a move to a pay-per-story model - but the mechanisms to support that approach are thin on the ground and the industry is far from united.

Despite announcing a 16.5% fall in online sales last week, Trinity Mirror chief executive Sly Bailey is still chasing visitors. "The important thing for us is to develop the brand with the right content that engages a passionate audience," she said. "Whether that gives you the opportunity to think about whether there are areas you can charge for, that's an open discussion - but you have to create the content in order to have that option."

Newspapers must choose between audience and profit, but neither may hold the answer. As one tweeter put it: "They're doomed if they charge and they're doomed if they don't, so they might as well try."

The writer is the editor of paidContent:UK (owned by Guardian News and Media)

Response

Vorsprung durch 3D

I know that the UK television market still clings to the belief that it is the world leader in everything, but your 3D "experts" really should get out more (Question of the week, 3 August). Telcast Media in Germany has been producing cutting-edge 3D television that gives excellent 2D pictures - without glasses - for years. The 2D picture is so good that clients can show it on their HD channels. The 3D picture is superb also.
Stephen Roberts Empingham, Rutland

Bad things in Three

I must disagree with the comments of TomS concerning BBC Radio 3 (Response, 3 August). I have no problem in listening to a mix of classical

The comment by TomS on 3 Aug needs support. I emailed the BBC without response after several Sundays with not a single item of music scheduled (except in Choral Evensong) before the late-night sequence. Just a series of DJs. Even the 7am-10am weekday slot is now lost to a DJ. I have been brought up to a life in which music has been a great joy by the Third Programme and its successors, and the idea that one has the radio on to listen to real music as wallpaper would have been unthinkable before now. My wife asks why I am listening so seldom now.
John Millington Stourbridge, W Mids

Search and destroy

Google earns 99% of its revenue from advertising (Yahoo and Microsoft picked the wrong fight, August 3). For all its supposed innovation, it has found nothing else that will bring in significant revenue, let alone make a profit. And the platform for that advertising, Adsense, it bought from someone else. A business that earns almost all its revenue from one activity, which has low barriers to entry for competitors, is vulnerable in the long term. If you do not understand that, you know nothing about business.
grn71 online

It's not that making an app for placing ads is that difficult, although the interface is fundamental to the success of an app. Rather, it's where you place