

## Times Prepares Pay Wall by Russell Adams

*New York Paper Will Charge for Bundled Digital Service, Allow Some Free Access*

The New York Times is preparing to introduce multiple subscription packages for access to the paper's website and other digital content, kicking off the biggest test to date of consumers' willingness to pay for news they're accustomed to getting free.

Online readers of the Times would get free access to a certain number of pages before being asked to pay.

Under the new system, expected to be rolled out next month, the Times will sell an Internet-only subscription for unlimited access to the Times site, as well as a broader digital package that bundles the Times online with its application on the iPad, according to a person familiar with the matter. Subscribers to the print edition of the paper will get full online privileges at no additional cost, Times executives have said.

The person familiar with the matter said the Times has considered charging around \$20 a month for the digital bundle and less than half that for the Web-only offering. To read the Times on Amazon.com Inc.'s Kindle e-reader device currently costs \$20 per month. The Times has guarded details on pricing, which have evolved during the planning of the system and which could change even after rollout, depending on demand and other factors.

Online readers would get free access to a certain number of pages on the website each month before they are prompted to sign up for a subscription for additional material, an approach currently used by the Financial Times, which is published by Pearson PLC. Executives from New York Times Co. settled on that model over a year ago after they decided it was the best way to tackle the dilemma facing many news organizations: How to balance the need to make up for lost print readership and ad revenue with the risk of taking themselves out of an Internet ecosystem where so much similar material is free. The company declined to comment.

As a free site, the Times online attracts more than 30 million monthly unique visitors, according to comScore Inc. Those visitors fuel over \$100 million a year in advertising on the website, according to people familiar with the matter.

Times Co. executives have said that only about 15% of the paper's online readers are "heavy users," meaning the vast majority probably won't trigger a payment requirement. And half or more of the site's traffic in some months comes through the "side door," or from search engines, social-

networking sites and other sources.

Times Co. executives say people who arrive through search engines like Google won't be

blocked from viewing the first page of a search result regardless of how many visits they've made. The openness of the system has raised questions inside and outside the Times about whether the paper is making it too easy to avoid paying. Executives have said they will work with search engines to limit the frequency of such visits so readers can't game the system.

The approach "will help to preserve NYTimes.com's significant reach and advertising inventory, in that it will allow us to retain light users while aiming to convert heavier users to a digital subscription," Times Co. Chief Executive Janet Robinson said at an investor conference in December.

While some publications, including The Wall Street Journal, have had online subscription services for years, the industry as a whole has waded gingerly into paid content. The Dallas Morning News, owned by A.H. Belo Corp., next month will begin charging \$16.95 for full access to its website plus various apps and other digital content. A print subscription will include access to content in all those places. Jim Moroney, the paper's publisher, said the primary goal is to get print subscribers more engaged with the digital editions and observe how non-subscribers respond to paying for access. He said the paper has "very little expectations around the Internet website and paying for access to it."

News Corp.'s Times of London last year began limiting access to its website to people who register for a subscription, resulting in a sharp drop in traffic. News Corp. executives said they are pleased with the initial response, with about 50,000 monthly subscribers to its digital editions signed up in the first three months.

Central to the New York Times's offering is its iPad app, which currently is free but likely will cost about \$20 a month once the new pay system is introduced.

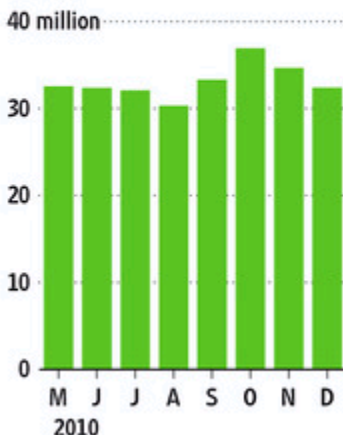
To sell subscriptions that bundle the Times in print, online and on mobile devices, the Times has had to develop an e-commerce platform that patches together various old and new databases and programs. Executives have cited the difficulty of that task as a key reason for the long lead-up to the new pay system and have been testing and debugging the system.

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### Eyes on the Times

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