

Free vs. Paid Content: The Debate

Newspapers that put their content behind a paid wall on their Web site because they see that as another revenue stream are doing so for the wrong reason – that much Walter Hussman and Mark Potts agreed on during a debate at last week's SNPA Audience Development Conference.

But, while Hussman, publisher of the [Arkansas Democrat-Gazette](#) (Little Rock) and chairman of WEHCO Media, argued that newspapers are dead if they just continue to give away their content for free, Potts disagreed.

Potts, a consultant to media and Internet companies and author of the [recoveringjournalist.com](#) blog, thinks newspapers would be better off trying to figure out how to make online more profitable.

Below are excerpts from their comments at last Thursday's "Free vs. Paid Content" debate:

Walter Hussman Jr.



We aren't a totally paid site. Part of it's free. Part of it is paid.

We aren't charging \$5 a month in order to bring in revenue, to make payroll or meet our expenses. The reason we're charging \$5 a month is to keep people from converting from a profitable print subscriber to an unprofitable online subscriber. That's the whole rationale for charging.

I think newspapers are dead if they just continue to give away their content for free. But, I don't think newspapers are dead if we don't give the content away for free. And, I don't think your Web site is dead if you have a paid site. I think you can have a thriving Web site, but you've got to put other things on your Web site. You've got to put databases. Put all the state officials' salaries. Put all the city officials' salaries. Put blogs. Put video. Put a lot of other things that you can't get in your newspaper....Our Web traffic is going up and we're a paid site.

It comes down to a matter of economics ... With the great imbalance of suppliers of advertising (on the Internet), it drives the price (of Internet ads) very, very low.

What would it be like for you...if you decided to become a paid model? I think it would be much easier to do in 2009 than it was (for the Arkansas Democrat-Gazette) in 2002 and here's why. The people who live in your community are really worried about you. They're worried about whether you're going to make it. And, they love your newspaper. They are scared to death that they're going to pick up the paper one day and it's going to say, "We're only going to deliver three days a week" or "We're going to go out of business." They want to help. They don't know what to do. I think if you become a paid model, people are going to be very accepting and understanding about why you're doing it. I think it would be much easier to do it today than it was seven years ago.

I think this economic downturn...will cause (newspapers) to start thinking outside the box. They'll start experimenting. When everything's good, they may not do that. But when they get in a tough situation, they will. And, I think that's great.

Mark Potts



There are instances where you can make a very effective argument for it...If you've got very specialized content – very unique content – it works.

People say that you can see the same content on the Web site that you can see in the newspaper. That's a problem. There's a lot of the same content. I can read about Iraq. I can read about what the president is doing. I can read about sports – pretty much anywhere on the Web. If that's what you think you're going to protect, you've probably got a problem because people will go elsewhere. What you've got to protect are things that you have that nobody else has. If you're doing a really great job covering your local market, there's probably nobody else doing that nearly as well as you are.

For better or worse, the culture has been free ... It's going to be hard to convert people back ... to suddenly slam the wall down in front.

Search engine optimization is something that is still very much a black art in the newspaper industry. It's not a black art to people in the tech world. They are black belts in search optimization. I don't know why newspapers don't have somebody on staff who does search optimization ... to make sure their content and advertisers show up high in those listings.

The other concern I have about paid content: I'm not sure there's that much revenue there. When you run the numbers on how much money you can bring in on a paid site, it's not very high. If you've got 3,400 subscribers, that's \$60 or \$70 a year (per subscriber). That's a couple hundred thousand dollars. That's money, but it's not a huge amount of money. And, there's some advertising trade off in doing that.

Regarding Hussman's argument about protecting the profitable business model of a newspaper's print publication: I think it's short-sighted. It might be better to spend time trying to figure out how to make online more profitable.

Following the debate, Potts posted additional thoughts in an entry titled "Between Little Rock and a Hard Place" on his [recoveringjournalist.com](#) blog: [read his blog](#).

SNPA eBLOG

What are your thoughts on the free vs. paid content question? What do you think lies ahead for the newspaper industry? [Comment here in the new SNPA eBlog](#).