



# News Baron Murdock Set to Launch Daily iPad Paper

Media mogul Rupert Murdock, whose News Corp. owns and operates scores of daily newspapers, including such standards as the Times of London, the Wall Street Journal, and the gossip-flavored New York Post, is gearing up for his latest media endeavor: a daily newspaper published only on tablet iPad-style computers.

Working in collaboration with Steve Jobs, chief executive of Apple Computer, Murdock has assembled a core staff of some 100 editors, reporters, web wizards, and online content geaks, to role out a beta version of the iPad daily around Christmas, with a full launch some time in early 2011.



The iPad "paper," which will be called the *Daily*, will not be available in print or on the Web, but will supposedly feature a core of content available nowhere else. With assistance from Apple engineers, the *Daily* will be designed for dispatch directly to iPads, with plans to broaden distribution to other similar "tablet" style computers. Since the production will not include print or expensive distribution, the subscription cost at launch will be just 99 cents per week.

According to the UK-based newspaper the *Guardian*, Murdock came up with the idea for an iPad-only newspaper based on a study showing that owners of the tablets tend to be more focused in their online reading than typical Internet users. Murdock hopes to show through this latest project that there is a core of savvy consumers who are willing to pay for well-developed, quality online content. "Murdoch believes the iPad is going to be a 'game changer,' " reported the *Guardian's* Edward Helmore, "and he has seen projections that there will be 40 million iPads in circulation by the end of 2011."

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Reporting on WWDMedia.com, John Koblin wrote that Murdock is convinced that "within a few years, tablet devices will be like cell phones or laptops — consumers will go into Wal-Mart and buy the things at reasonably cheap prices (far more diminished than the \$499 for an iPad now). In his mind, in the not-too-distant future, every member of the family will have one." With such an explosion of this exclusive technology, Murdock calculates that it will only take a small percentage — maybe five percent — of iPad owners subscribing to the *Daily* to make the online publication a success.

Some observers, however, think that Murdock's projections are far too optimistic. The *New York Times'* media columnist David Carr noted that when Murdock sent his *Times* of London online edition behind a "pay wall" last July, Murdock's News Corp. optimistically reported about 100,000 "opt-in" subscribers to the online paper in the four months following, "only half of which were for more than one-off purchases of a story. Subtract out subscribers to the print product, as well as Kindle and iPad users ... and the number of actual opt-in customers could be in the low tens of thousands. That compares with a pre-paywall audience of six million unique [online] visitors, according to estimates from the research firm comScore."



#### Written by **Dave Bohon** on December 1, 2010



While Carr concedes that owners of Apple products have shown they are more inclined to pay for unique content than other online users, he predicts that Murdock will have to convince millions of iPad owners that what he is offering goes beyond what is currently available online and in print. After all, the *Daily* "will be a newspaper," he writes, "an ancient motif on a modern device. It will be produced into the evening, and then a button will be pushed and it will be 'printed' for the next morning. There will be updates … but not at the velocity or with the urgency of a news Web site."

In addition, since the *Daily* will be published in a closed environment, it will not be connected to the hyper-share environment that defines the rest of the Web. Carr notes that "at a time when the ecosystem of news is driven by links, the *Daily* will have no inbound links from other sites, and nothing outbound either."

Even if the iPad is the computer of the future, which Murdock is apparently banking on, in the short term it will take some intense training of its users to be weaned from the Web-based environment that nearly controls the news media today. Carr calls Murdock's estimates of a half-million *Daily* subscribers in the first five years "wildly optimistic."

While ultimately an enclosed, private-party iPad-style publishing environment may be just the answer for Murdock and other newspaper owners who are watching the slow demise of their print empires, in the short term, Carr writes, the *Daily* will be similar to other Murdock media experiments: "It will be depending on money earned by other parts of the News Corporation."

Murdock, however, is not the only media tycoon to announce the launch of an iPad-only publication. In late November, Sir Richard Branson, who has earned billions selling records and cell phones (among other ventures), announced that he and his 29-year-old daughter Holly will unveil a new "revolutionary multimedia" iPad-based publication in early 2011, that will feature content of interest to 21st-century hipsters, including the latest in design, world travel, fashion, and international culture. Like Murdock, Branson is gambling on the inclination for Apple product to be more willing than other Internet grazers to pay for online content.

One high-tech observer, Patricio Robles, writing on econsultancy.com, suggested that both Murdock and Branson appear to have been seduced by the momentum iPad is presently enjoying, while ignoring the fact that in today's world consumers typically resort to a variety of platforms to get their daily media fix. In fact, Murdock himself conceded this consumer inclination, noting in a recent *Wall Street Journal* op-ed that today's news customers "do not want to be chained to a box in their homes or offices to get their favorite news and entertainment.... More and more, our readers are using different technologies to access our papers during different parts of the day. For example, they might read some of their *Wall Street Journal* on their BlackBerries while commuting into the office, read it on the computer when they arrive, and read it on a larger and clearer e-reader wherever they may be."

It is interesting, then, that both Murdock and Branson are each sinking tens of millions of dollars into an exclusive media vehicle that, in the most ideal scenario, only a very small percentage of consumers will ever see. Even if the iPad turns out to be the "game changer" Murdock thinks it will be, writes Robles, he and Branson would most likely be better off "creating compelling iPad experiences around content that is also packaged and distributed compellingly on other platforms." After all, he adds, "it's not as if the iPad will reach everyone, and consumers who enjoy perusing content on an iPad are precisely the type of consumers who are probably going to want to consume it on other devices as well."

Photo, rotator graphic and above: News Corporation Chairman and CEO Rupert Murdoch testifies on Capitol Hill Washington, Sept. 30, 2010,



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before the House Immigration, Citizenship, Refugee, Border Security, and International Law subcommittee hearing on immigration.





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