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## How to Save Your Newspaper

By **WALTER ISAACSON** Thursday, Feb. 05, 2009



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But I don't think that subscriptions will solve everything — nor should they be the only way to charge for content. A person who wants one day's edition of a newspaper or is enticed by a link to an interesting article is rarely going to go through the cost and hassle of signing up for a subscription under today's clunky payment systems. The key to attracting online revenue, I think, is to come up with an iTunes-easy method of micropayment. We need something like digital coins or an E-ZPass digital wallet — a one-click system with a really simple interface that will permit impulse purchases of a newspaper, magazine, article, blog or video for a penny, nickel, dime or whatever the creator chooses to charge. ([See the 50 best inventions of 2008.](#))

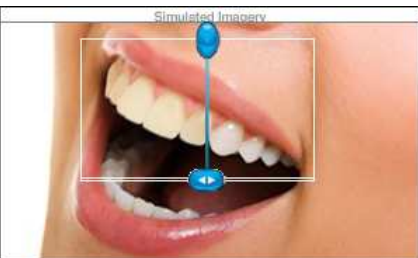
Admittedly, the Internet is littered with failed micropayment companies. If you remember Flooz, Beenz, CyberCash, Bitpass, Peppercoin and DigiCash, it's probably because you lost money investing in them. Many tracts and blog entries have been written about how the concept can't work because of bad tech or mental transaction costs.

But things have changed. "With newspapers entering bankruptcy even as their audience grows, the threat is not just to the companies that own them, but also to the news itself," wrote the savvy New York *Times* columnist David Carr last month in a column endorsing the idea of paid content. This creates a necessity that ought to be the mother of invention. In addition, our two most creative digital innovators have shown that a pay-per-drink model can work

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when it's made easy enough: Steve Jobs got music consumers (of all people) comfortable with the concept of paying 99 cents for a tune instead of Napsterizing an entire industry, and Jeff Bezos with his Kindle showed that consumers would buy electronic versions of books, magazines and newspapers if purchases could be done simply. ([See Apple's 10 best business moves.](#))

What Internet payment options are there today? PayPal is the most famous, but it has transaction costs too high for impulse buys of less than a dollar. The denizens of Facebook are embracing systems like Spare Change, which allows them to charge their PayPal accounts or credit cards to get digital currency they can spend in small amounts. Similar services include Bee-Tokens and Tipjoy. Twitter users have Twitpay, which is a micropayment service for the micromessaging set. Gamers have their own digital currencies that can be used for impulse buys during online role-playing games. And real-world commuters are used to gizmos like E-ZPass, which deducts automatically from their prepaid account as they glide through a highway tollbooth.

Under a micropayment system, a newspaper might decide to charge a nickel for an article or a dime for that day's full edition or \$2 for a month's worth of Web access. Some surfers would balk, but I suspect most would merrily click through if it were cheap and easy enough.

The system could be used for all forms of media: magazines and blogs, games and apps, TV newscasts and amateur videos, porn pictures and policy monographs, the reports of citizen journalists, recipes of great cooks and songs of garage bands. This would not only offer a lifeline to traditional media outlets but also nourish citizen journalists and bloggers. They have vastly enriched our realms of information and ideas, but most can't make much money at it. As a result, they tend to do it for the ego kick or as a civic contribution. A micropayment system would allow regular folks, the types who have to worry about feeding their families, to supplement their income by doing citizen journalism that is of value to their community.

When I used to go fishing in the bayous of Louisiana as a boy, my friend Thomas would sometimes steal ice from those machines outside gas stations. He had the theory that ice should be free. We didn't reflect much on who would make the ice if it were free, but fortunately we grew out of that phase. Likewise, those who believe that all content should be free should reflect on who will open bureaus in Baghdad or be able to fly off as freelancers to report in Rwanda under such a system.

I say this not because I am "evil," which is the description my daughter slings at those who want to charge for their Web content, music or apps. Instead, I say this because my daughter is very creative, and when she gets older, I want her to get paid for producing really neat stuff rather than come to me for money or decide that it makes more sense to be an investment banker.

I say this, too, because I love journalism. I think it is valuable and should be valued by its consumers. Charging for content forces discipline on journalists: they must produce things that people actually value. I suspect we will find that this necessity is actually liberating. The need to be valued by readers — serving them first and foremost rather than relying solely on advertising revenue — will allow the media once again to set their compass true to what journalism should always be about.

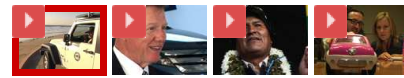
*Isaacson, a former managing editor of TIME, is president and CEO of the Aspen Institute and author, most recently, of Einstein: His Life and Universe.*

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*"Can't say no one makes money from Twitter now. The NBA does."*

MARK CUBAN, owner of the Dallas Mavericks, in a Twitter message, or Tweet, on being fined \$25,000 by the NBA for insulting referees using the social online service

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