

AP launches first e-commerce venture

The Wire will offer a fee-based archive

by David Noack

The Associated Press has launched its first electronic commerce venture for consumers — a fee-based archive for its online news service “The Wire.” An official announcement is expected sometime around Nov. 23.

The service is available on “The Wire” Web site and will be accessible through the 250 online newspapers that host the AP’s online news service. The service was quietly introduced this week to deal with any last-minute glitches.

The subscription-based feature will require users to pay for access to an archive that includes national, international, sports, financial and business stories dating back to July 1, 1997. AP joins dozens of online newspapers in creating a subscription-based archive in order to generate additional revenue.

While AP hopes to make money on the archive, they are also offering a financial incentive to online newspapers. For every customer who signs up through a newspaper Web site, the newspaper will share in a 20% “revenue-sharing bounty.” For example, if an online newspaper user signs up for the archive for a year at \$99.95, the newspaper will get 20% of that fee, or \$19.95. The search feature of the service is free and users will be able to view the first paragraph or so of an article before making a purchase.

Individual pricing ranges from \$2.95 for a single article to an “Annual Pass” to view 1,500 articles for \$99.95. Institutions such as schools, libraries and corporations will have their own pricing plans.

Up until this point, The Wire allowed users to search and retrieve articles for only the last two weeks. That search feature is still available for free. The two-week archive includes about 10,000 articles, while the new service will house 250,000 stories.

The move into e-commerce was part of the initial strategic planning for AP’s online news service, which debuted in October 1996. This is the first time that the AP is opening up its archives to the general public. Currently, AP articles are only available via Lexis-Nexis, Dow Jones News Retrieval and Dialog.

Jim Kennedy, the director of AP Multimedia Services, says planning for an e-commerce component of “The Wire” dates back to 1995, when the online news

looking for recent stories,” he says. “Every now and then there is some demand for a story older than a year, but from the average consumer, it’s usually a recent story they’re zeroing in on.”

Kennedy says he doesn’t think the consumer-based archive feature will cut into the business of these more professional — and costly — database companies. AP stories will continue to be available through these services.

Infonautics Inc., a provider of online research and reference services based in Wayne, Pa., is hosting the service and performing the back-office accounting and billing work. A couple of weeks ago, Infonautics announced an agreement to make AP national and international newswire content available to subscribers of Infonautics’ Electric Library and Electric Library Business Edition information services.

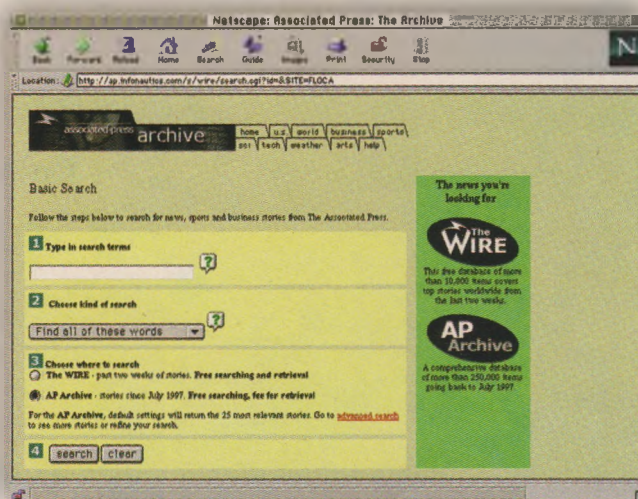
Kennedy says Infonautics is only handling the long-term archive feature. The two-week archive will still be run by AP. Infonautics will keep track of where archive customers come from, so that the appropriate newspapers can be rewarded for the revenues generated.

Al Gibes, online manager for RJ Online, the cyber operation of the *Las Vegas Review-Journal*, says he welcomes the new archive feature. “We’ve had several people asking about older wire stories in recent months,” he reports. “Their two-week archive was very limiting, and since we

run very little AP Wire material on our Web site, we don’t see this as competition in any way.” Gibes is considering fees for access to his own Web archives.

Lawrence Patrick, service product manager for NewsLibrary, a newspaper archive feature, says he doesn’t view the AP’s entry as a competitor to his service, which currently provides archive access to 45 newspapers. “It’s really more complimentary than it is a competitor,” he says. “The AP’s specialty is covering breaking news, and getting the initial scoop, but in all of our local markets where we own newspapers, we’re going to write the definitive coverage of the news event.”

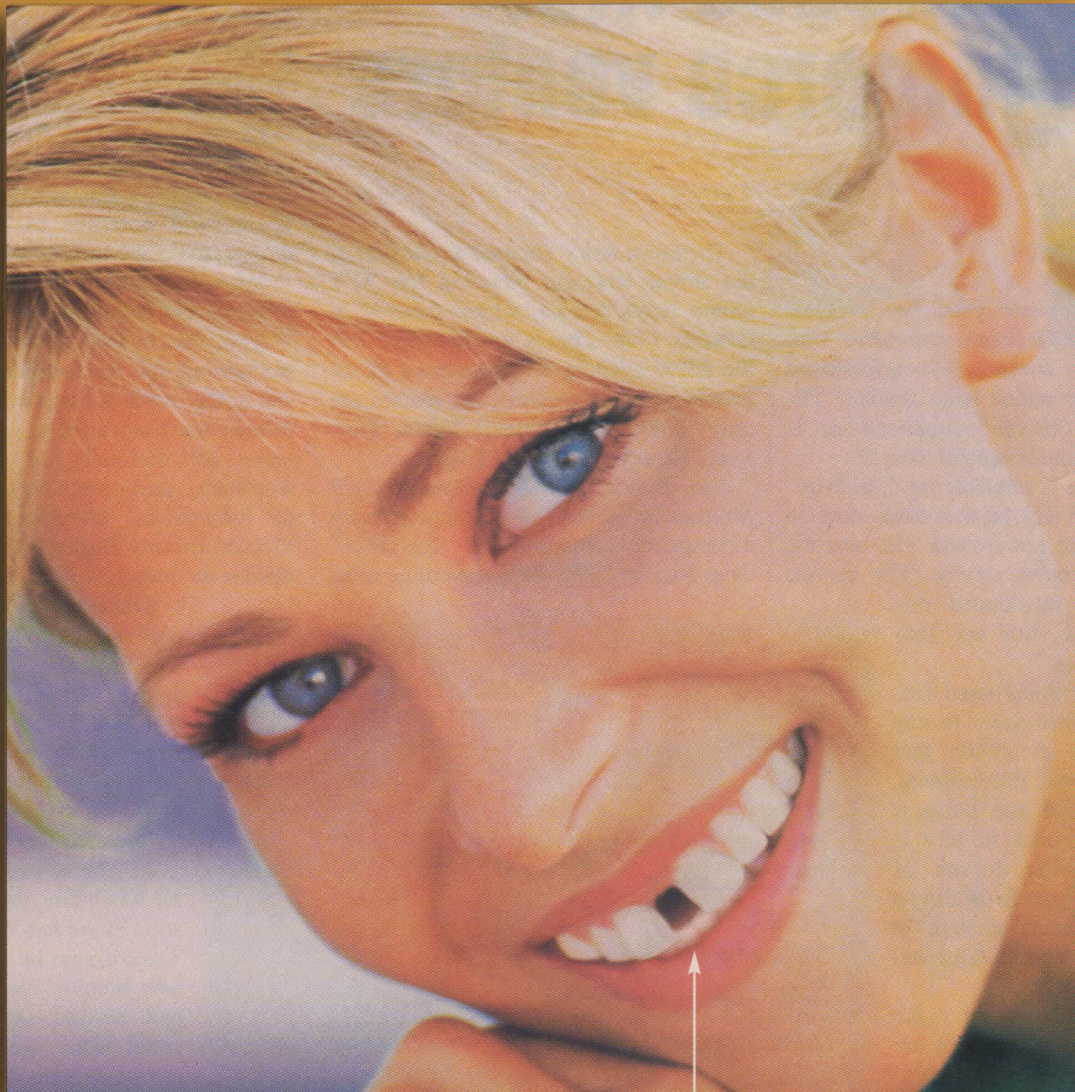
NewsLibrary is a partnership among MediaStream Inc., Knight-Ridder New Media Inc., the individual newspaper affiliates and InfiNet.



service was first being discussed. “This will be the first time that we have a text service of our own that goes directly to the consumer,” Kennedy says. “This was part of our original planning, but it took some time to get over some of these hurdles that we had with technically making this available to consumers and also editorially ensuring the integrity of the content.”

Geoff Haynes, project manager at AP Multimedia Services, says there’s been a growing demand from people who use the news service to have access to archived stories. “This is the most requested service,” he says. “Oftentimes, they are looking for one very specific story, and they want to get a copy of it.”

Haynes indicates that within the next six months, another year’s worth of archived material should be available. “What we’re finding is that people are



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