Internet giants race to faster mobile news apps

NEW YORK: US tech giants are turning to the news in their competition for mobile users, developing new, faster ways to deliver content, but the benefits for struggling media outlets remain unclear.

©arekmalang via 123RF

Mobile "drives so much traffic" because many people start their day reading news on a phone or tablet, said Cindy Krum, chief executive at MobileMoxie, a mobile marketing consultancy. Several new apps hope to capitalise on that by attracting news readers and the advertising dollars they bring.

The news app race

Apple News, an app included in Apple's updated iOS 9 mobile operating system, launched last month, delivers content from more than 50 media partners, including the New York Times, Vanity Fair and Vogue.

Facebook launched its "Instant Articles" earlier this year in partnership with a number of media organisations to provide access to the news 10 times more quickly, through its social media infrastructure, than most news websites do.

And Google is said to be preparing a similar system in partnership with Twitter to allow mobile users to fully load an article on their phone in a fraction of a second, compared with nearly 10 seconds today.

A move for mobile friendly

The rapid development of the news products demonstrates how mobile has become the new battleground for tech companies seeking to keep users within their ecosystems, where they can reach them with more products, services, and advertising. "There's a big competition for mind share," Americans spend an average of three hours per day on mobile devices, compared to just over two hours on PCs, according to the research firm eMarketer.

Mobile advertising is surging. North American mobile ad spending is set to jump to $61 billion by 2018 from $19.7 billion last year, according to eMarketer. The moves are giving media companies incentives to make their products more mobile friendly.

The New York Times will allow access to 30 free articles per day on Apple News, for instance, compared with 10 per month for readers who go to the daily's website or news application.

An open question

But it remains unclear whether these new apps will help news organisations find a lasting economic model to survive the digital age. According to the Pew Research Center, daily US print circulation is down 19 percent over the past decade and print advertising has fallen more than 60 percent.

In combatting that decline, news organisations have to decide whether to go after digital readers on their own or to team up with tech firms.

In these new apps, the publishers appear to have chosen the latter. For both Apple and Facebook, news publishers will be able to keep 100 percent of ad revenues they generate themselves and 70 percent of the revenue from ads sold by the tech platforms. "For now, the agreements look pretty favorable to the publishers," said Rick Edmonds, media business analyst for the Poynter Institute for Media Studies.

But Edmonds said the long-term impacts remain unclear, especially as to how the partnerships will affect the digital subscriptions or purchases of individual articles previously sold directly by the media outlets. "It's an open question," Edmonds said.

Accessing news today

A New York Times spokesman said it is "important to ensure that The Times is available in a wide variety of places where people find their news and information," noting that the daily can be accessed through services such as Flipboard, Microsoft's MSN News or Google Play Newsstand.

Krum agrees, saying news organisations need to adapt to the ways consumers access the news today. "It's much more casual" than in the past, she said. "It's not like going to buy a newspaper anymore. The newspaper has to find you."

Source: AFP