

## E-Commerce

## The Extremely Metered Paywall

- ▶ Blendle has people paying for news articles in Dutch. Now for English
- ▶ “This might not be great money, but it’s incremental money”

Alexander Klöpping doesn’t scan as a natural ally for newspapers. The former TV news presenter is 27 and looks even younger arriving at an interview dressed in a hoodie and a T-shirt that reads “New Wave.” A few years ago, at a dinner with reporters and editors from *De Volkskrant*, a daily in his native Netherlands, he stood up and said, “I never paid one cent for journalism in my life.” He was disappointed the paper wasn’t doing more online, he recalls: “Then I said, ‘But I’m paying for Spotify, so you see, if you make the service good enough, then people will pay.’”

Klöpping used to write for *De Volkskrant*. Now he’s selling it, piece by piece. With co-founder Marten Blankesteyn, also a 27-year-old former journalist, Klöpping’s two-year-old startup, **Blendle**, has had unprecedented success persuading people to buy news by the article. Based in Utrecht, Blendle is basically an iTunes for Dutch newspapers, a website and app where readers buy articles for €0.10 to €0.30 (13¢ to 38¢) a pop. In a country of 16 million, the service has signed up 129,000 users since its April 28 launch.

Blendle sells articles from most of the major Dutch papers and magazines, some Belgian publishers, and the *Economist*. Readers can scan the major ▶

◀ front pages, plus a handful of recommendations for individual articles from staffers and their friends. The recommendations are presented in a format that looks a little like Twitter. New users start with a credit of €2.50, and so far 1 in 5 has spent more than that. Buyers have a short window during which they can cancel an article purchase and get a refund. If they don’t, Blendle takes a 30 percent cut.

70%

Portion of article revenue that Blendle delivers to publishers

Klöpping says Blankesteyn conceived Blendle after realizing that hardly any of his friends were reading the articles he wrote. Few Dutch newspapers make many of their stories available for free online, so there’s no way for consumers to read a few articles a month, the way the *New York Times’* paywall allows. (Some Dutch papers offer free articles online that aren’t as carefully written and edited as their print editions.) Publishers resisted Blendle’s model at first, afraid of cannibalizing their newsstand or subscription sales, but Klöpping convinced them that the service wouldn’t sap their readership. Two-thirds of Blendle users are under 35. “This reaches a new audience younger than our core audience,” says Philippe Remarque, *De Volkskrant’s* editor-in-chief.

Klöpping and Blankesteyn’s background as journalists helped with the pitch. Klöpping “says he respects quality journalism, and you do believe him,” says Remarque, adding that *De Volkskrant* expects to make about

in countries where “most people don’t feel comfortable reading whole English newspapers, but if someone recommends an article, they want to read it.”

The obvious hurdle is getting enough papers to sign up. Klöpping says he’s in talks with U.S. publishers (he declined to name any), which tend to have few foreign subscribers and sell ads at junk rates in countries where they don’t have a sales force. In those cases, a Blendle deal is pretty much all upside, says Christian Van Thillo, chief executive officer of **De Persgroep**, which owns newspapers in Belgium, Denmark, and the Netherlands and has deals with Blendle to sell some of its articles. “This might not be great money, but it’s incremental money,” Van Thillo says. “So the margins are great.” —Robert Levine

**The bottom line** Article-selling startup Blendle, now backed by the *New York Times* and Axel Springer, notched 129,000 users in six months.