NEWSPAPER MICROPAYMENTS, A NEW WAY TO DELIVER NEWSPAPER CONTENT

What can be done when advertising and circulation revenue just aren't enough anymore? The solution is to develop a new source of revenue, DIRECT SALES, in which newspapers and magazines sell content directly to the customer, one story at a time.

A system of micropayments, the Clean Machine, makes this approach feasible. This is a way to discover new customers, and open new market segments. This is a new idea; it hasn't been proven. But at least we have a plan: Let customers get what they want, when they want it, with no complications.

Micropayment is a way for publications to cover more topics. Variable pricing for items of content makes specialized content possible. Compared to mass marketing, this is indeed a "new business".

Even when the number of people who want a story is relatively small, the price they pay means that the story can still be covered. The result: a higher story count, a bigger audience. This is different than only being a "mass-market" medium, although we will continue to be that also.

MEASURE CUSTOMER DEMAND

That our clicks are paid is a big advantage. It's the best measure of market demand you have ever had. Editors can use this to evaluate new ideas. And a lot of our stories continue to find an audience long after we first publish them. Micropayment sales tell us how long to keep a story online.

Advertisers can have confidence that our click counts really mean something. And the Clean Machine is immune to ad blocking software. It combines advertising and editorial in a way that is acceptable to the reader.

Publishers retain complete ownership of their content. The page for micropayment links back and forth with the publication's home page. Purchased content is delivered to a new browser window,

and automatically saved in the TICKET REPORT. Videos can promote themselves with a short segment that plays as the ticket windows scroll by automatically.

MAKE BETTER USE OF WHAT WE ALREADY HAVE

Everybody who would like to read a story doesn't read it when it first comes out. They don't have time, they plan to read it later, the newspaper gets lost. Or they never even saw the paper; they only heard about a story, and now they want to read it for themselves.

So while a story is still selling, we'll know to leave it up — no extra effort on our part — and the public will find more to like about our product.

A CLOUD PROGRAM

The Clean Machine is a "cloud" program. Users do not need to install it. It is available to any user with an HTML5 device and a NEWSPAPER TICKET.

Begin at cleanmachinenetwork.com. Click the line that starts "KDJ" or "sdj". This will take you to the page of micropayment content for the Daily Journal and Spanish Daily Journal. Or click the link to try out the editor's interface. The editor's interface uses PC's. Customers use PC's, tablets or smart phones. No "apps" are required.

MICROPAYMENT COMPARED TO PAYWALL

The Clean Machine can exist side by side with pay wall strategies, which allocate a fixed number of free visits to prospective customers. They get their choice of our content for free and we get nothing.

With newspaper tickets, customers pay a little bit, but only for the story they choose. We're not trying to sell them anything they don't want. And it's easier to buy just one story than a whole subscription. This promotes our product to non-subscribers, but the value of existing paid subscriptions is not depreciated.

Or if newspaper tickets are used instead of paywalls, micropayment serves as a hard paywall, but with variable pricing that reflects real customer demand.

THE SPANISH EDITION

Stories purchased from the Clean Machine system of micropayments can usually switch between English and Spanish. Simply click the flag. It's perfectly quick, for both languages, and for text or audible narration too.

An automated translation is built-in to our program, but provision is made for human editing. We make it convenient for one fluent Spanish-speaking editor to review the automated translation before it goes online.

This is for many publications a new market segment. And for most periodicals, one they haven't even tried to reach. It's a lot easier to try Spanish with the Clean Machine than with a whole new edition.

BUSINESS CYCLES

Business cycles have always been a threat to periodical publications, whose expenses do not necessarily decline in tandem. And from a longer range viewpoint, an overall decline in the retail sector limits our prospects.

But this new plan with micropayments is immune to business cycles. It relies on something that Americans still have in abundance: small change. Those coins that pile up in our pockets just might be our salvation.

THE IMPULSE BUY

A low price encourages people to buy on impulse. An impulse buy is more likely to happen when the price seems unimportant. A typical price for a story sold as micropayment content might be four cents. Photography and recordings increase its value. With the Clean Machine, just click the price tag. Your purchase is delivered in a new browser window.

I find it fascinating that we can sell our product at the lowest price of anything at all. There's nothing in the whole economy that you can buy for two cents. Who knows what market demand can be discovered at these levels?

The Clean Machine, was created by a publisher, for publishers. We have been looking for a solution, and I believe this is it. But it is no easy task to convince the public to try a new thing. This will require effort and determination on your part.

UNDERSTAND THE BASICS

A "BUREAU" is a newspaper or magazine participating in the Clean Machine Network. Each bureau has a unique 3-character identifier, the "bureau prefix", which is the first three characters of each ticket it sells. When logging in, click the "bureau icon" to access that publication by entering its prefix.

The customer buys an $8 Newspaper Ticket with a credit card, logs in using the 7-character unique code, and selects a content item by clicking its price tag. Funds on the ticket are transferred to the publication as purchases are made.

When the current ticket is a paid ticket, content from any bureau on the network can be purchased. There is a drop-down menu that displays Start Pages from other bureaus. Click the EXIT button once or twice to go back to the home page of the publication where you started.

It has been said the micropayments won't work because even if the price is low, the effort of logging in is bothersome. The Clean Machine doesn't use the usual username and password routine. Our method of customer login is short and easy. Usually only four characters are needed. When purchasing or logging in a ticket, little pictures appear with each character as an aide to memory. A single log in will work for all bureaus on the network.

FREE AND PAID

It is the purpose of free tickets to create customers for paid tickets. It is when their free tickets expire that the advantages of paid tickets become apparent.

A "day pass" free ticket code is revealed in the print product. It's our way of making online content available to print product readers. Day Pass tickets give the customer an experience similar to using a paid ticket, but they do not have a balance, and they expire worthless after a short period of time.

People who do not read the print publication can receive the Day Pass by email. Such emails have explanations, samples, and advertising encouraging people to visit your site and the Start Page it links to.

START PAGE ADVERTISING

There are two types of advertising on the Start Page. The "Upright Ads" appear in the right column, and the "Box Ads" appear among the ticket windows. An advantage to Box Ads is that they can be exactly placed among the editorial ticket windows.

The spaces for Start Page advertising are also a good place for short editorial content.

Because of the innovative presentation, advertising on the Clean Machine is immune to ad blocking software.

DOCUMENTATION

There are two manuals: <u>Presenting Editor Operations</u> is the short version. The longer <u>Editors' Manual</u> is definitive.

For the customer, the Clean Machine is "Simple, Fast, and Fun to use." And as an editor, you too will find the interface fast, and hopefully, fun to use. But your side of the operation cannot be simple. The program has some innovative techniques, so there is a lot to learn initially. But there's a payoff in speed and versatility that comes with experience.

What is fundamentally different about micropayment is that editors are preparing not just the story itself, but the preview of it. The success of the whole enterprise depends on this extra step.

Ordinary click counts are a consequence of page design, and of how responsive the pages are that the customer ultimately has to deal with. And a lot of clicks are just accidental. But a micropayment sale means someone deliberately chose to buy something. It's a real measure of popularity.

OUR TECHNICAL EXPERTISE

The Clean Machine brings technical expertise to the rapidly-changing field of Internet productivity. We can help you pick your domain name, or sub-domain name. Re-direction of your present domain to the Clean Machine is another option. We will setup and maintain your DNS records as well.

We will activate Google Analytics and its Search Console to help your website be found by indexing and optimization. Your customers' credit cards will be processed using our up-to-date PCI Compliant standards.

BILLING EXAMPLE

Now let's look at some hypothetical examples that demonstrate the potential dollars in new income.

Your billing from CMTC is a flat weekly charge per badge. For example a 2-cent badge costs $1.00 per week, or a $2 badge costs $6 per week. So to break even at two cents, your sales need to be a little more than 50. Or to break even at two dollars, a little more than 3. (There is no extra charge when editors change the content of a badge.)

To further illustrate, suppose in a week you made 5000 sales at 20 cents. That would be a gross of $1000. Your net revenue would be 88 percent of that, less the $2.80 cost of the badge. Bottom line, $877.20

The fees charged by the Clean Machine are appropriate to bureaus with a modest following. For bureaus with greater traffic, they make little difference. What matters when sales are high is the twelve percent charged by CMTC, which pays for the credit card processing. This percentage is less than what is charged by other prominent Internet companies.

BUREAU'S WEEKLY TICKET WINDOW CHARGES

2 cents	$ 1.00	80 cents	$ 4.80
4 cents	$ 1.60	$1.00	$ 5.00
8 cents	$ 1.80	$2.00	$ 6.00
10 cents	$ 2.00	$3.00	$ 7.00
20 cents	$ 2.80	$4.00	$ 8.00
40 cents	$ 4.00	no charge	$ 0.50
60 cents	$ 4.60		

UPRIGHT ADS: $5.00 per week. BOX ADS: $8.00 per week

Publications seeking participation in the Clean Machine Network must have a signed contract on file and pay the annual membership fee. Members agree to uphold the Code of Conduct.

Visit the cleanmachinenetwork.com to see how it works.

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