

Web catalog revenue models media essay



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The web catalog revenue model is essentially an electronic version of the traditional catalog-based retail revenue model. This traditional model has been in existence for over one hundred years when catalogs of goods for sale were mailed to prospective buyers. Creating familiarity with a name or branding the goods has been an important factor in establishing reputation and creating strength in the name to attract potential customers.

The web catalog model was formed through the evolution of the information era. With the advent of the internet and its increased availability, printed catalogs have been either completely replaced or supplemented by a digital online catalog reaching a wider audience in a shorter space of time. Just as the traditional catalog-based model, also known as the mail order or catalog model, allows buyers to order via mail or telephone, the web catalog model allows buyers to place their orders through online forms on the website or by telephone.

Computers, electronics and household appliances capture a large part of online sales through web catalogs. There are many businesses that operate solely on the internet which use the web catalog model. Amazon. com is one such business that started off as an online book retailer but has since expanded into other markets such as music, clothing, toys, tools and much more.

The web catalog model meets its challenges with customers who are not willing to send their personal information across the internet. Many internet users are fearful of their information, particularly credit card information, ending up in the wrong hands. How safe is their information in the hands of

an online business? Although this fear has decreased considerably in the past ten years, this will always be a concern because as security improves, so does fraud and hacking.

Digital Content Revenue Models

Online businesses that use the digital content model either own or have the rights to this digital content, whether it is words, numbers, pictures or videos. Generally they offer some sort of subscription that allows a customer to access the content along with additional services such as full-text searching of various types of information.

Digital copies of published newspapers, journals and magazines are sold or subscribed to and are sent to customers in various ways. The daily newspaper may be sent directly to a subscriber's email address. An additional service may be applied where only topics that the subscriber is interested in are received. Legal, financial, corporate or government information may be periodically downloaded or mailed on a compact disc to subscribing businesses that need to update their records for their own reference and research.

This revenue model allows companies to save time and money because digital information does not need to be printed or delivered.

Advertising-Supported Revenue Models

This revenue model generally offers free information or entertainment along with advertising messages which has been most apparent in television, radio and newspapers. Through the generation of revenue from advertising, such organizations are able to continue their existence.

Advertising on the internet has its ups and downs and confidence in this model has not been very high in recent years. There was a lapse in this market between 2000 and 2002 and companies are only now beginning to show an increased interest in advertising online.

One major problem with advertising on the internet is the fact that there are no specific measurements for charging for the service. How would a company know if they are charging too much or too little to run an advertisement on their website? Another problem is that not many websites have a wide enough viewer base that would encourage advertisers to place advertisements. How would an advertiser know that their message is reaching their target market? The website would have to collect demographic information from visitors in order to prove this. Visitors of websites are not always willing to provide such information due to concerns about their privacy.

Web portals, Web directories and search engines make use of this model by taking advantage of the information they receive from visitors. Because visitors use these types of sites as a means of accessing other resources on the internet, information on what they are interested in is captured and advertisements of a similar nature can be displayed alongside the resources they are accessing.

Newspapers have expanded into an online existence where they either offer all of their printed content on their website or just parts of it. There are concerns that the online version may reduce sales of the printed newspaper

but the fact is, the advertising reaches a larger audience and there is greater exposure of the newspaper's name.

Advertising-Subscription Mixed Revenue Models

Magazines publishers have been making the most use of this revenue model for many years now. They generate revenue through a paid subscription service that periodically delivers magazines to viewers and through some advertising. This model uses a lot less advertising than the advertising-supported revenue model.

With the concerns of the online newspapers reducing the sales of printed newspapers, some newspaper publishers have found that adopting this model on their websites can help in making more use of their online resources, earning more revenue. They would generally offer some parts of the newspaper for free while other parts and features are only available to subscribed customers. For example, a non-paying viewer may be able to read today's news but cannot access articles prior to today. A subscriber can make use of all the content and may be able to use a search feature that would allow them to find archived articles of interest.

It is common for magazines and newspapers to use different revenue models for their websites and their printed content. This helps maximise the generation of revenue for these companies.

Fee-for-Transaction Revenue Models

Businesses that use this revenue model offer services which they charge for based on the size of the transaction. This model has shown much success on the internet through travel agents, vehicle sales, ticket sales, financial

services and others. By providing these services online, companies are able to remove the human agent as the intermediary (known as deintermediation) and introduce a website as the new intermediary (known as reintermediation).

Fee-for-transaction revenue models generally generate revenue through the earning of commissions. The larger the transactions, the more they earn. Using this model on the internet offers some flexibility that businesses can take advantage of such as lower overhead costs and the ability to earn some extra revenue through some level of advertising.

Fee-for-Service Revenue Model

This revenue model is also service-based but instead of charging based on the size of a transaction, companies charge based on the value of the service. Some examples that make use of this model are professional services such as accounting and legal consultancy, streaming video services and online gaming. All of these examples charge a fee based on the service that the customer accesses.

Recommendation for Cricket E-Zine

The most suitable revenue model for the Cricket E-Zine would be the advertising-subscription mixed revenue models. By utilizing the flexibility of this model, the E-Zine can generate its main income through subscriptions without having to rely on financial support through heavy advertising. It is more desirable to have a magazine that offers more useful content with less advertising.

A virtual community, or online community, is quite simply a method of meeting and interacting with people through the internet. The internet facilitates communication among its users where they talk about topics that interest them where they may share and receive information. By communicating and building acquaintances, interests are maintained and as users keep this alive an online community is established.

There are several forms of virtual communities. Chat rooms, email lists, social networking, forums and blogging are some of the more popular forms. In defining the different forms of communities, we can identify possible options for use with the E-Zine and select a suitable combination that would add value, promote and attract subscribers.

A chat room is a website that allows people to send and receive messages in text in real-time. Usually a chat room is based around a particular topic that multiple people can participate in. Plain text chat rooms now incorporate voice and video that help enhance the experience.

Getting people from different parts of the world to meet online and collaborate at the same time can be a major problem because of the different time zones. Email lists overcome this problem since it allows a person to receive and respond to a message at a time convenient to them. Although emails can go back and forth within minutes, this method of communication is probably not best for a conversation. Emails are suitable for getting large amounts of text, files and other information to lists of people.

A social networking site allows members to create a profile that shares information about themselves. Each member can connect with their friends, family and acquaintances and keep them in a friend list. Connected members can then see each other's profile. As members reconnect with past friends and family, their social network becomes larger as they bring together contacts from the past and present while connecting with new people. Social networking sites are useful for word-of-mouth promotion. Businesses use this type of networking because the connections between members are so intertwined that information reaches a large audience without great effort.

An online forum is a site where people discuss topics of interest through consecutive text-based messages that are posted by forum members for forum members. These messages can stay posted for many years as the site owner sees fit. Forums are widely used for receiving feedback, solutions and opinions from users who have experience, skills or knowledge on the relevant topic. They are usually monitored by forum administrators who keep messages from going off topic by either removing irrelevant messages or offering guidance to forum members. Forums are a great way of creating a large archive of information from people all over the world. Because of their longevity they become an excellent source for primary research.

A blog, like a diary, is a journal of events, experiences or opinions except it is written online for others to read. Businesses may use a blog to keep their customers informed on what they have been up to, current activities and what they can look forward to. Although blogging is one way communication, there is usually an area for readers to make their comments. These

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comments are essentially a forum for discussing the particular blog. A blog must be properly maintained because once it is read, interest starts to diminish. Effective blogging is a great way to spark interest in new readers and attract a sort of fan-base, which is a good marketing technique.

All of these virtual communities can be useful in different ways to add value to the E-Zine but the effects versus the efforts are variable. Conversations that can develop in a chat room may not be relevant to cricket or the E-Zine and could become useless to the magazine. One way a chat room could be used in this application is to provide assistance to subscribers or to encourage a potential subscriber to take the final step in signing up. The chat should generally be lead by staff of the E-Zine to ensure the chat rooms are made useful and not abused.

Email lists are an excellent way of reaching out to people who have an interest in cricket. Recipients of these emails have signed themselves up to receive cricket information. This offers a direct tap into a group of people who are definitely interested in the sport. Certain types of information and promotions can then be sent with confidence knowing that people would be more receptive to the messages.

Social networking sites are useful for boosting online presence and getting traffic to flow to the E-Zine website. It is easier to direct traffic than to create traffic. Because social networking sites are generally high traffic sites and information flows far and wide, it is easy to tap into this network and spread messages that bring attention to the E-Zine. It is positive promotion that has no geographical boundaries.

Including a forum within the E-Zine website helps create its own online community – The E-Zine Community. Subscribers and forum members can communicate with each other about the sport and similar topics while forum administrators maintain the relevance of comments. A forum is an excellent place to gather informal feedback that would help the E-Zine improve its operations and create special offers that would attract subscribers.

Blogging may be most useful to the E-Zine during important times within the cricket world. For example, having a blog during the Cricket World Cup would spark interest for site visitors who come across these posts that may lead to an interest in the E-Zine.

The best combination of communities that should be used for the E-Zine is the email lists, social networking sites and a forum. The chat room and the blogs could be used as secondary options but they would not play a major role in the promotion of the E-Zine.