Internet Business Models and Strategies

9 Online Content Business Models To Turn Your Print Publication into an Online Media Business

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MEQUODA DAILY

Helping Publishers Make Money Online

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Introduction

Mequoda has identified nine methods used by successful publishers for making money online, and ranks them with increasing publisher accountability, as depicted in this graphic:

Many publishers employ multiple business models. The following are some best practice examples.

Selling Sponsorships

RCR Wireless sells multi-faceted packages to their advertisers that amount to exclusive sponsorship of one of 27 core editorial topics. The 27 topics, which are essentially micro-sites, can be found in the left navigation of the *RCR Wireless* homepage. These are the site's section pages and can be found consistently as you navigate the site.

The sponsorship opportunity is multi-faceted and offers the sponsor complete exclusivity on any given topic page. For example *iQmetrix* is currently the exclusive sponsor of the Wireless Retailers section, or micro-site. Their package includes the leaderboard, the large ad box, a medium ad box, and a skyscraper.

Additionally, a publisher-generated white paper is used as part of the campaign to build circulation for *RCR Wireless*. As part of the sponsorship agreement, the advertiser gets to sponsor the white paper, and when it is downloaded, shares the recipient's email contact info.

A video component to the *RCR Wireless* section pages enables the advertiser to include an optional pre-roll commercial and branding bar underneath the video, which *RCR Wireless* can help produce. Last but not least, the advertiser is given a small banner ad once per week in the Wireless Retailers section of the RCR Wireless Daily Update email newsletter.

Sponsorship programs give the advertiser an *exclusive* opportunity to identify their product or service with a specific piece of the *RCR Wireless* brand and editorial content, effectively shutting out any competitors' advertising on a section of the *RCR Wireless* website.

Selling Listings

Generally, websites that sell listings are self-service. Whether the content is job listings or a directory of services, the advertiser can input the content and pay for their advertisement by charging a credit card.

We estimate *Media Bistro* does about $6 million in annual revenue, about $2 million of which is classified job advertising.

This website is designed for public relations and media executives, and competes in a broad horizontal market with *CareerBuilder.com* and *Monster.com.* But because the directory is attached to an Internet hub, it drives much of its own traffic, using an email newsletter to alert subscribers of new job postings.

Often, B2B and B2C niche websites can do well by adding a listings component, such as a directory or classified website, to their market.

Selling Impressions

Forbes.com is one of the largest B2B websites in the world in terms of overall traffic. It gets between 12 million and 14 million unique visitors monthly.

We estimate that *Forbes.com* generates $200 million annually online, with somewhere between a third and a half derived from advertising sales.

Forbes.com does not sell run-of-site advertising. Like *RCR Wireless*, the publisher sells *position, section*, and a*djacency to editorial content* ad space.

Selling Clicks

No publisher is better at selling clicks than *About.com*, one of Google's top advertising partners.

About.com is really a collection of 456 websites on specific niche topics — everything from knitting to travel to saltwater fishing. In total it is the 12th largest website in the U.S., with 38 million unique visitors per month.

We estimate *About.com* does $150 million a year in revenue and drops about $60 million to the bottom line — a very profitable website for its owner, *The New York Times*.
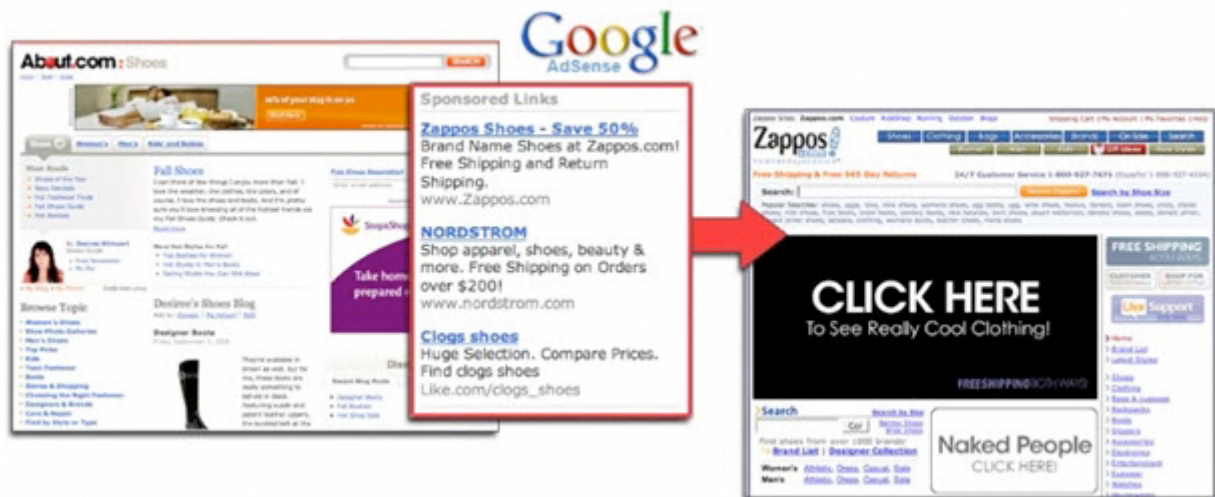
The *About.com* content providers, or guides, are experts at both SEO and link-building, attracting enormous inbound traffic from Google, and monetizing their webpages with Google AdSense.

Selling Leads

About 10 years ago, at its height, *ComputerWorld* magazine was a $125 million news weekly — the largest B2B news weekly in America. *Computer World's* print edition is still published, but its advertisers were quick to move online, because their target audience was quick to go online.

Computer World is still a $100 million company. The publisher generates about $35 million in online revenue, about $25 million in events, and about $40 million in print advertising.

Info World and *Network World* are sister publications to *ComputerWorld,* and participate in a lead generation program called *IDG Connect* that is available on a cross-title basis.

In a nutshell, with *IDG Connect,* if you're a company like *Cisco* or *IBM* and would like to generate qualified leads for your product, *ComputerWorld* will help you develop a white paper. It can be written either by the *ComputerWorld* custom publishing group or by the advertiser, then marketed as part of the white paper library at *ComputerWorld*.

The publisher uses its banner advertising, text links, and other inventory to drive traffic through the *IDG Connect* program at *ComputerWorld.* The user fills out a form, signing up for the free white paper, and ultimately finds himself on the advertiser's website, in this case, *Hewlett-Packard*.
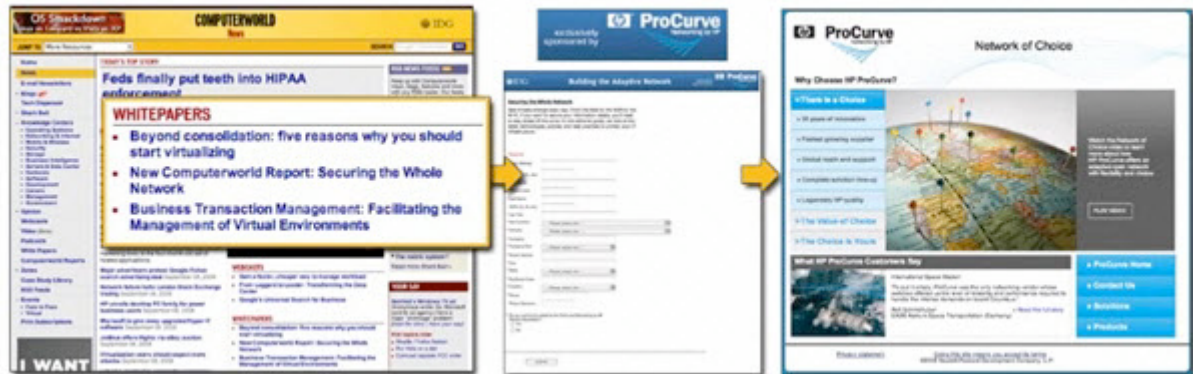
Everyone benefits in a lead-generation business model. The publisher increases the amount of content available on their site, while getting paid each time a user is interested in the content. The user gets immediate access to in-depth information. The advertiser gets immediate access to the lead and adds to its robust master file of leads.

Selling Books and Products

Johns Hopkins and University Health Publishing have been producing a high-quality line of white papers before they ever became online publishers.
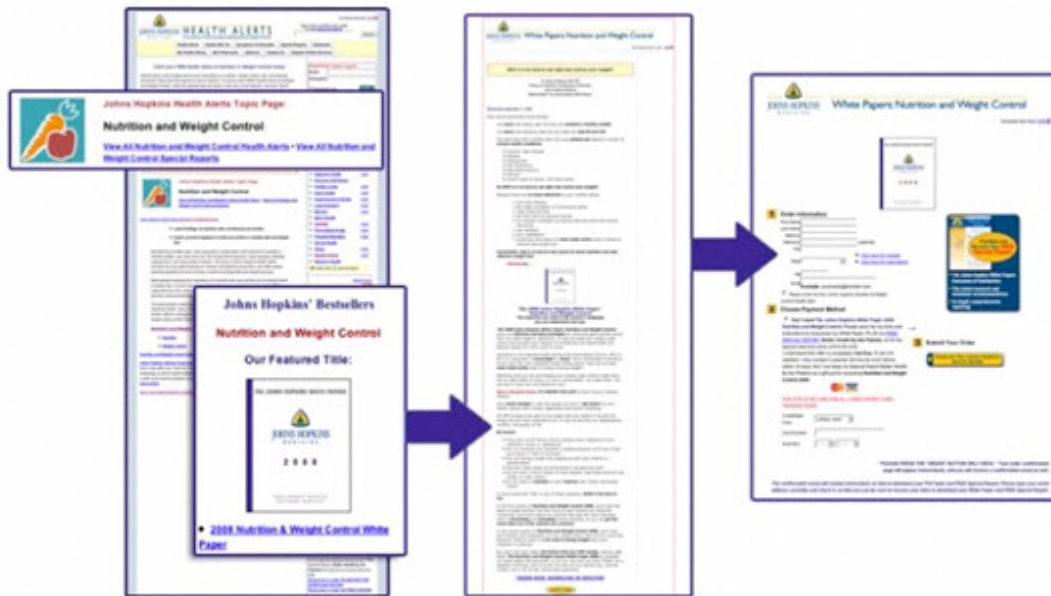
Today, about 20 white papers constitute the backbone of the information architecture for the Johns Hopkins hub, which is *JohnsHopkinsHealthAlerts.com.* These are the lead products, in terms of both frequency and revenue, selling for an average price of $49 and updated annually.

The publisher's other products include a series of traditional, one-shot books, periodical bulletins and print newsletters, delivered both by snail mail and digitally.

Selling Periodicals

The big breakthrough for traditional magazine or newsletter publishers happened when they discovered how to sell periodicals online, using the Mequoda System, a combination of best practices for employing an Internet hub.

Best practice Number One is using a free website to give away content, attracting organic search traffic and links, and collecting email addresses to build a customer database.

Best practice Number Two is repurposing all your print publication content online, frequently in shorter articles, so what might be a single article when it's published in a magazine is edited into a number of articles when it's published online.

Order Form in Editorial for the Johns Hopkins Arthritis Bulletin

Best practice Number Three is using an Order Form in Editorial (OFIE) as often as feasible. Unlike a magazine page or a newsletter page, you can easily add three inches to the bottom of a webpage. It costs virtually nothing and effectively acts as a bind-in card attached to every page.

Selling Memberships

The publishers of *Consumer Reports* knew they could not sell advertising, so when they went online, a membership website was their only alternative.

Many people today still think the website is an online version of the magazine. In reality, it's not; it's a reference website. *Consumerreports.org* is updated monthly with new content that is published in the magazine, but if you look at the modality of how it's used, the *ConsumerReports.org* website is really a reference book. You can find roughly 48 months of reference content in the site at any given time, as people really use the site to look up information that they need *now*. They read the magazine for mastery, they use the website to access immediate information.

ConsumerReports.org is now the largest membership website in the world with roughly 3.6 million paid subscribers. There are 4.2 million print subscribers and about one million people who subscribe to both the print and online products.

Selling Events

The final case study is about *FDA News* and how it sells events.

Cindy Carter is one of the smartest B2B publishers we know. She took over management of a company back in 2001 that at the time had four unrelated print newsletters.

Ms. Carter sold off three of the four print newsletters and committed to a very aggressive conversion for *FDANews* that involved having both a very robust online store and switching platforms.

FDANews.com now generates more than half the company's revenue from online seminars, which her 25-person staff produces at the rate of roughly 60 per year.

They also replay those online seminars as *Encore Performances* and repackage them as CD-ROMs. Finally, the same content is used to produce white papers and to produce the live events.

Next Steps

Those are nine ways to generate revenue online. You don't have to limit yourself to one.

If you're like most publishers, the best strategy will be to use a mix that fits your company, your brand, your audience, and your expertise.

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