



ONLINE REVENUE MODELS



IN THE INTERNET AND MEDIA SECTOR

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 Master Thesis
 Business Administration
 December '08



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I. ACKNOWLEDGEMENT

First and foremost, this research would not have been possible without the continuous support of my supervisor of the University of Twente, Dr. Huub Ruël, who dedicated a substantial amount of time to assist me with each step of the whole project. The openness and enthusiasm of Dr. Ruël has given me the right dosage of motivation toward the relentless pursuit of knowledge in the context of E-business and online revenue models.

I am also grateful to Drs. Rob Jorg, principal consultant at Atos Consulting. He was my 'guidebook' inside Atos Consulting and he made me feel comfortable inside the professional environment of the organization. His expertise in the subject of the media and internet sector has also been very supportive for me throughout this research.

An acknowledgement goes to all the people who participated in both the interviews and the research, and were kind and willing to share and provide sufficient information about their E-business and online revenue models that lead to the success of this research.

Last but not least, I would like to express my appreciation to the University of Twente for providing unlimited access to (virtual) libraries that helped with the search for appropriate literature and references, and for the supportive management and administrative style that aimed at improving student's knowledge and education.

Thomas A. Boerrigter

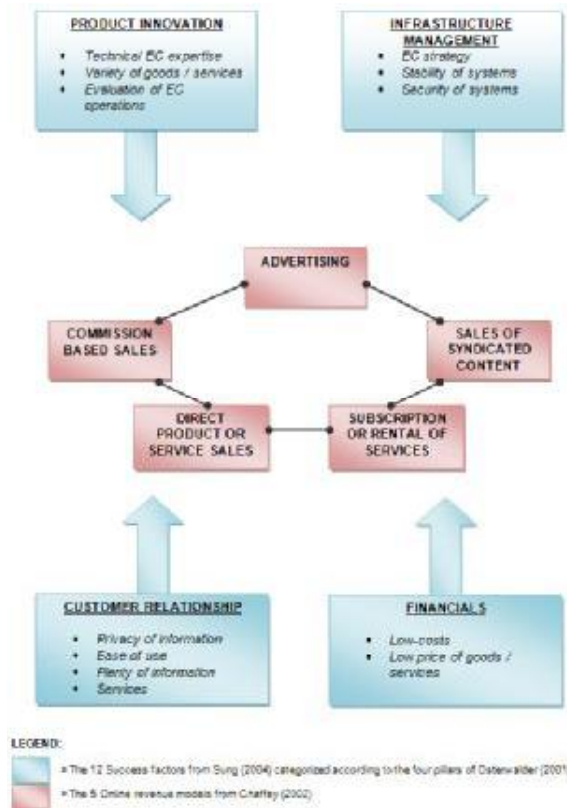
Enschede, 12 December 2008

II. ABSTRACT

Internet has changed the strategic and commercial possibilities for a lot of organizations in the media sector drastically. An example is the change for the publishers. Democratization of the content production and free availability of information are key words. For many publishers raises the questions on how they need to react to the initiatives of the internet. The medium is new but moreover; the economical natural law is new and asks for a new way to deal with. There is a lack of knowledge with the publishers on this subject in order to act adequately. Other organizations also deal with changes and innovations regarding the internet. New ways of generating turnover are being developed. There are a lot of online revenue models nowadays, but a lot of organizations are not making the most of them. For that reasons this research is executed with the following problem formulation:

“What are the most promising innovative online revenue models, their critical success factors, and how are they being used by organizations in the internet and media sector?”

In this 6-months research, a literature study is done and 20 in-depth interviews are completed in order to find an answer and draw conclusions to the problem definition. Out of the literature study the following theoretical framework is developed:



The 5 online revenue models of Chaffey (2002) can be found in the middle. Surrounding them are the 12 critical success factors for e-business of Sung (2004). These critical success factors are categorized according to the 4 pillars of the business model of Osterwalder (2001). Chaffey (2002) is the most used author regarding online revenue models and he has made a categorization of the online revenue models available:

1. Direct product sales of product or service
2. Subscription or rental of service
3. Commission-based sales (affiliate, auction, marketplace)
4. Advertising (banner ads, sponsorship)
5. Sales of syndicated content or services (for media owner)

Out of the in-depth interviews it can be concluded that the best known and most used online revenue model is advertising. The most promising and innovative forms of advertising are target advertising, lead generation and a combination of content and customer profiles. The reason for this trend is that organizations want more certainty in their revenues. When organizations adapt to these specific types of advertising, the chances for success are enhancing. Nowadays organizations in the internet and media sector are spending too much time and money on forms of advertising while the revenues are minimal.

There are a lot of critical success factors which are relevant when implementing and using online revenue models. Sung (2004) found 12 success factors for e-business from literature in the past. For this research these critical success factors are categorized according to the 4 pillars of the business model of Osterwalder (2001):

Customer relationship:

- § *Privacy of information*
- § *Ease of use*
- § *Plenty of information*
- § *Services*

Infrastructure management:

- § *EC strategy*
- § *Stability of systems*
- § *Security of systems*

Product innovation:

- § *Technical EC expertise*
- § *Variety of goods / services*
- § *Evaluation of EC operations*

Financials:

- § *Low-costs*
- § *Low price of goods / services*

'Ease of use' is the only success factor that all the interviewed respondents find important. These respondents say that 'ease of use' is important for the implementation and use of online revenue models. Other critical success factors that are found important are 'security of systems', 'privacy of information', 'stability of systems', 'electronic commerce strategy', and 'low price of goods /

services'. 'Plenty of information' and 'variety of goods / services' are regarded as most unimportant of the critical success factors of Sung (2004). When the critical success factors are inserted into the four pillars of Osterwalder (2001), it is remarkable that the respondents find it more important to have a good customer relationship and to manage the infrastructure in a proper way. Before the research, it is thought that financials and a unique product (product innovation) are the most important when using and implementing online revenue models. Nevertheless it cannot be concluded that financials and product innovation are not important because these factors are also more often mentioned important than not important. It is evident that respondents find customer relationship, infrastructure management, product innovation, and financials more important than unimportant for the use and implementation of online revenue models.

In the in-depth interviews it is measured that the majority of the organizations in the internet and media sector formulate financial goals regarding online revenue models, and these financial goals are in a lot of cases accomplished in 2007. This outcome suggests that organizations are spending much attention on online revenue models. Nevertheless, also a lot of financial goals are not being achieved. It are often organizational reasons that are responsible for (not) achieving financial goals, and organizations are aware of the fact that they are to a large extend responsible for the results of their online revenue models. From the outcomes of other questions it can be concluded that a lot of organizations do not have the technical and organizational expertise required for the optimal implementation and use of online revenue models. In a lot of cases there is not even a department pointed out for the work on online revenue models. Online revenue models are in a lot of cases still seen as a side-issue.

Overall it can be concluded that organizations in the internet and media sector are aware of the fact that online revenue models are going to take an important position in their organization. Nevertheless, most of the organizations are still in a learning phase and there is a need for change and improvements inside these organizations regarding online revenue models.

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VI. LIST OF ABBREVIATIONS

EC	Electronic Commerce
CSFs	Critical Success Factors
CFFs	Critical Failure Factors
CPM	Cost per mile
CPS	Cost per Sale
CPL	Cost per Lead
CPC	Cost per Click
CTR	Click-Through Rate
R&D	Research and Development
IT	Information Technology
SAP	Systems, Applications, and Products
B2B	Business to Business
B2C	Business to Consumer
UT	University of Twente

CHAPTER 1: INTRODUCTION OF THE RESEARCH

1.1 Reason for this research

The rise of the internet has brought the media sector a lot of new opportunities but also challenges. In the past, publishers with daily papers or magazines could raise income on subscribers and advertisers. In the last decade the media sector is subject to revolution and change. The paper was a (regional) authority, subscribers were members of the papers, there were simple choices for media planners and regional advertisers, and the labor market, brands and services were moneymakers. But nowadays there is overkill on (news)media and therefore choices. There is not a lot of authority, subscribers are still coming, but more subscribers are going. Online is taking over the market. On the internet, users rarely pay for the content. New players like Google introduce totally new, innovative advertising concepts and revenue models. These new organizations in the internet sector are pulling a lot of turnover towards themselves. Even the publishers are starting to get widely present with all kinds of sites. They also start using more innovative income flows. It is clearly a learning process where all these organizations are in at the moment.

How do organizations in the internet and media sector really need to act on this trend? In the media you can read that they are using more and more innovative online revenue models. Are they using the full potential of these online revenue models? Does it produce a lot of turnover? Are there certain success factors at this moment for implementing online revenue models? These are only a few questions that this research is trying to solve.

This research encloses an analysis of the different innovative online revenue models that exist, what their critical success factors are, and the degree in which they are being used by the different organizations in the internet and media sector. The research exists out of sources analysis's like in-depth interviews with publishers & internet organizations. An intensive literature study has also been done on online revenue models and business models of organizations in the internet and media sector. This will give insight in the current and future situation of these organizations.

1.2 Instructing parties University of Twente & Atos Consulting

This research is done in collaborations with the University of Twente and Atos Consulting. The University of Twente¹ is an entrepreneurial research university. It was founded in 1961 and offers education and research in areas ranging from public policy studies and applied physics to biomedical technology. The UT is the Netherlands' only campus university.

Atos Consulting is part of the leading international IT service provider Atos Origin². They provide integrated design, build and operate solutions to large multi-national clients in carefully targeted industry sectors. Their business approach is based on establishing long-term partnerships that encourage success through mutual benefit.

Atos Consulting itself offers advice and a pragmatic, realistic approach to addressing client needs. It provides "end-to-end" services and solutions, ranging from supporting strategy development through enterprise solutions and technology decisions. This enables their clients to become increasingly effective and to generate more value through an innovative approach to business processes, well-integrated supporting technologies and strategic investments in people.

1.3 Problem formulation and research questions

Before starting with the research a problem is formulated. Next to this, research questions are derived from the problem definition. This is done because the goal of every scientifically research is to acquire knowledge; to show 'how something is' and / or 'why something is'. Every research

¹ Source: www.utwente.nl

² Source: www.atosorigin.com An extensive summary of Atos Origin can be found in the appendices

starts therefore with a problem definition, it is a description of the study in this research. The problem definition of this research:

“What are the most promising innovative online revenue models, their critical success factors, and how are they being used by organizations in the internet and media sector?”

In order to get an answer to the problem definition, 3 sub questions are made:

1. *What are the most promising (innovative) online revenue models?*
2. *What are the success factors for implementing these online revenue models?*
3. *How are the online revenue models being used by organizations in the internet and media sector?*

1.4 Objective

The objective of this research is to find an answer to the problem definition of this research. It is tried to find out what methods organizations in the internet and media sector are using for making revenue on the internet. This is done by exploring the ‘most promising’ online revenue models and their most important and relevant success factors. This will be accomplished by developing a theoretical framework from past literature on online revenue models and e-business. Therefore it is also an objective to do an extensive literature study on online revenue models and critical success factors. Next to this, the objective is to complete 20 in-depth interviews with senior managers of organizations in the internet and the media sector in order to measure the current situation. At the end of this research it will be concluded if past research on online revenue models conforms or (totally) differs from the current situation of organizations in the internet and media sector and their online revenue models.

1.5 Strategy

The research is an exploratory study which exists out of qualitative research interviews. An exploratory study is undertaken when not much is known about the situation at hand or no information is available on how similar problem or research issues have been solved in the past. For this research, extensive preliminary work needs to be done to gain familiarity with the phenomenon in the situation and understand what is occurring before a theoretical model is developed and a rigorous design is done for comprehensive investigation.

The interviews will be of particular interest to this research because there is a need to gain a rich understanding of the context of the research and the processes that are being enacted. These interviews are semi-structured face-to-face interviews. It means that the interviews are conducted one-to-one in a private room. A list of themes and questions (interview protocol) are made, although these may slightly vary from interview to interview. The order of the questions may also be varied depending on the flow of the conversation. On the other hand, additional questions may be required to explore the research question and objectives given the nature of events within particular organizations. The nature of the questions and the ensuing discussion means that data will be recorded by audio-recording the conversation and note taking.

Research is done on ‘innovative online revenue models’ by using empirical models. The boundaries between ‘innovative online revenue models’ that are being studied and the context within which it is being studied are not clearly evident. The research needs to have the ability to generate answers to the question ‘why?’ as well as the ‘what?’ and ‘how?’ (Saunders, 2002). The data collection techniques are therefore various and are used in combination. First a literature study is done and after this 20 in-depth interviews are taken.

1.6 Summary

This master thesis is done in collaboration with the University Twente and Atos Consulting. Executive producer is student Thomas Boerrigter of the University Twente. The research is done because of the revolution and change in the internet and media sector in the past decade. The market of (news)papers and magazines has changed rapidly in the last years. The paper was a

(regional) authority. Subscribers were members of the papers, there were simple choices for media planners and regional advertisers. The labor market, brands and services were moneymakers. But nowadays there is an overkill on (news)media and therefore choices. There is not a lot of authority. Subscribers are still coming, but more subscribers are going, and online is taking over the market. The internet sector is also changing, a good example of this is the rise of the internet giant 'Google', which has grown from a garage company to a 'billion' organization. To get a good answer to this research it is important to execute it towards the standards of the University of Twente and therefore scientifically responsible. In order to do this, a problem definition is formulated. Next to this, 3 research questions are formulated in order to support the problem definition. Also a clear research objective and research strategy are formulated. This is done in order to make the intention of this research clear and understandable.

In chapter 2 the literature review on online revenue models and critical success factors is explained and a theoretical model is developed. After this, the research methodology of this research is explained in chapter 3. The discussion of the data analysis and the findings of the in-depth interviews can be found in chapter 4. The conclusions and recommendations of this research can be found in chapter 5. Also suggestions for future research are mentioned in chapter 5.

CHAPTER 2: LITERATURE REVIEW

2.1 Example 'newspapers'

The popularity of online news provision has increased rapidly because of the rise of internet³. People's hunger for the very latest information continues to grow. Wars, sporting events, elections and catastrophes are only some of the items which can be accessed almost in real-time through the internet and for which there appears to be an ever-increasing demand. A lot of organizations started a website with the latest news without having a past in print papers. Examples of these are www.nu.nl, www.nosteletekst.nl, and www.nieuws.nl. These websites have become fierce competitors of the existing websites on news. A consequence of this trend is that the existing publishers are losing subscribers, as online content is for free.

Publishers are now fighting their way back. To give a good example, the major 5 Dutch newspapers all have their own websites with free content; 'Algemeen Dagblad' (www.ad.nl), 'de Telegraaf' (www.telegraaf.nl), 'de Volkskrant' (www.devolskrant.nl), 'het Financieel Dagblad' (www.fd.nl), and 'NRC' (www.nrcnext.nl). If you take a look on these websites, it can be noticed that organizations have their own business model and that they are all using online revenue models. Sometimes they are using different online revenue models. In a lot of cases they are using the same online revenue models, but they are applying them in a different way on their websites. By reviewing the business models, online news sites, the structures, and the revenue models, it is not clear how organizations use online revenue models and what they find really important and critical for their websites.

Before interviewing organizations in the internet and media sector it is therefore interesting and necessary to look at past research and literature on business models and online revenue models. It is important to see if a lot of research has been done on this subject. It is also interesting to see what definitions there are and how organizations have established these models. Before starting with the research a theoretical framework needs to be gathered from other authors or a theoretical framework needs to be developed for this research. In the following paragraphs the literature review on online revenue models and business models are summarized. Furthermore a theoretical framework is developed and explained.

2.2 Literature review on internet business models and online revenue models

2.2.1 Defining internet business models and their history

Many researchers have published descriptions of business models for content and news. Some authors like Rayport (1999) and Niewiarra (2001) stress the aspect of a network as a central element of a content provider's business model. For Weill and Vitale (2001), by contrast, the business model of a content provider concentrates on the production of content; whereas for authors like Wirtz (2001) or Farhoomand & Lovelock (2001) content providers act more as intermediaries in the value chain. Bartussek (2001) takes both of these aspects into account. Considering all of the literature on business models it is remarkable that there is not one, broadly accepted definition of an *internet* business model for content and news. This is remarkable because publishers are developing their own websites and they are going online. It cannot be assumed that the business model is automatically the same when changing the whole organization.

To get a good overview on business models, and therefore an understanding of how an online news provider can operate, a few definitions of business models in the literature are collected which can be found on the next page.

³ Source: STIR and www.molblog.nl/media/7110

- § A business model is the totality of how a company selects its customers, defines and differentiates its offerings, defines the tasks it will perform itself and those it will outsource, configures its resource, goes to market, creates utility for customers, and captures profits. It is the entire system for delivering utility to customers and earning a profit from that activity.
(Slywotzky, 1996)
- § A business model is an architecture for the product, service and information flows, a description of the various business actors and of their roles, as well as a description of the potential benefits of these actors and finally a description of the sources of revenue
(Timmers, 1998)
- § A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating.
(Linder & Cantrell, 2000)
- § A business model is a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network
(Shafer, Smith & Linder, 2005)

To stay consistent and clear throughout this research, one definition of a business model will be used throughout this research:

"A representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network"
(Shafer, Smith & Linder, 2005)

This definition is from a research on business models in 2005; therefore it is the most recent definition. Next to this, it is a short but with respect to content a clear and consistent definition. Furthermore Shafer (2005) says that a business model is not a strategy. While a business model does facilitate analysis, testing, and validation of a firm's strategic choices, it is not in itself a strategy. Shafer (2005) says that business models provide a powerful way for executives to analyze and communicate their strategic choices.

In recent research about business models there are also a few other interesting things mentioned that are relevant for this research in order to get a thorough understanding of organizations in the internet and media sector. Chaffey (2002) for example, is an author that has been used throughout this research for identifying online revenue models. Therefore it is interesting to quote what he says about a business model. Chaffey (2002) says that it can be suggested that a business model for e-commerce requires consideration of the marketplace from several different perspectives:

- § Does the organization operate in the B2B or B2C arena, or a combination?
- § How is the organization positioned in the value chain between customer and suppliers?
- § What is its value proposition and for which target customers?
- § What are the specific revenue models that will generate different income streams?
- § What is its representation in the physical and virtual world, e.g. high-street presence, online only, intermediary, mixture?

According to Osterwalder and Pigneur (2002), an author that is used in the theoretical framework of this research (§2.3), a business model has to address the following issues:

1. Product innovation

What is the business, the product innovation and the value proposition offered on the market? Product innovation covers all aspects of what a firm offers its customers. This comprises not only the organization's bundles of products and services but the manner in which it differentiates itself from its competitors.

2. Customer relationship

Who are the customers targeted, how to deliver them the products, and how to build strong relationships with them? The choice of a firm's target customers, the channels through which it gets in touch with them and the kind of relationships the organization wants to establish with its customers. The customer relationship describes how and to whom it delivers its value proposition, which is the firm's bundle of products and services.

3. Infrastructure management

How will the infrastructure or logistics be efficiently performed, with whom, and which kind of virtual enterprise? The infrastructure management is about how an organization creates value and maintains customer relationships. It describes what abilities are necessary to provide its value proposition.

4. Financial aspects

What are the revenue model (transaction, subscription, advertising, commission, licensing) and the cost model (cost of goods sold, operating expenses for R&D, sales and marketing, general and administrative)? The financial aspect is transversal because all other pillars influence it. It is the outcome of the rest of the business model's configuration. Financial aspects are composed of the organization's revenue model and its cost structure. Together they determine the firm's profit- or loss-making logic and therefore its ability to survive in competition.

And finally, to quote Kruger and van der Beek (2004), they say that there are two groups of promising Internet business models:

1. Those Internet business models which integrate the creation, acquisition, value adding and digital distribution of content with the help of a software platform and therefore profit from the network effects.
2. Those Internet business models which concentrate on what they know best, their core competence, and which find the right partners to support this strategy.

2.2.2 Defining online revenue models and their history

In the past decade there is done a lot of research on online revenue models. A few names that have done research on this topic are: (Gretzel, 2000), (Osterwalder, 2002), (Shafer, Smith & Linder, 2005), (Lai & Wong, 2005), (McCoy, 2007), and (Bleyen, 2007). The authors that made the most impact with their research on online revenue models are Timmers (1998) and Chaffey (2002). They tried to categorize all the types of online revenue models in different ways. But in the articles, there is not a clear definition of an online revenue model. Therefore further research is needed in order to stay consistent in the future when talking about online revenue models. For this research a definition is made of innovative online revenue models and this is used throughout this research:

"Generating online revenue, and using new, less common methods for achieving this"

Swatman & Krueger (2003) say that media organizations have moved quickly to make use of the internet as an alternative distribution channel, but online news is an entirely different business from offline news, with different needs: not only does it require a relatively sophisticated technology infrastructure, but also a new way of reporting information. Both these requirements lead to increased costs for the online news provider. Since the internet consumer is accustomed

to free information, the question of how to generate revenue is both difficult and pressing. Two additional factors have further complicated this issue:

- § The global recession has limited many organizations' capacity to invest in the development of sophisticated new business models⁴
- § The classic news revenue source (advertising) is not very successful in this new environment.

To do research on online revenue models it is necessary to look at the literature and past research that is done on this topic. There is a lot of research done on this topic. By typing the keyword 'online revenue models' at <http://scholar.google.nl> you get 94.900 results. And by typing the keyword 'e-business' you get 20.100 results. This is just an indicator, but it says something about the massive attention it got in the last decade.

The best way to find articles with this subject on the internet is to do a brainstorm session on the research topic to get keywords that are linked with online revenue models and e-business. The following keywords are used:

- | | |
|-----------------------------|---------------------------------|
| § <i>E-business</i> | § <i>Revenue models</i> |
| § <i>E-commerce</i> | § <i>Journal of e-business</i> |
| § <i>Online advertising</i> | § <i>research</i> |
| § <i>Internet business</i> | § <i>Journal of e-business</i> |
| § <i>Online newspapers</i> | § <i>Online success factors</i> |
| § <i>Profit models</i> | § <i>Internet pure players</i> |

It is very obvious that in almost every research on online revenue models or e-business there is a reference to two authors: (Chaffey, 2002) and (Timmers, 1998). Timmers (1998) is the first one who did research on online business models and he made a categorization of 11 types of business models. After this, Chaffey (2002) tried to identify overlap between these categories. A summary of the researches of these two authors is given in the following paragraphs.

Timmers (1998) identifies 11 different types of business models that can be facilitated by the web. In this research, the definition of online revenue models is also applicable for the business models mentioned; therefore the term 'revenue model' will be used throughout the rest of this research because it gives a clearer understanding to the ways that organizations earn their money on internet. It is also done in order to avoid confusion. The 11 different types of online revenue models mentioned by Timmers (1998):

1. e-shop – marketing of a company or shop via the web
2. e-procurement – electronic tendering and procurement of goods and services
3. e-malls – a collection of e-shops such as Indigo Square (www.indigosquare.com)
4. e-auctions – these can be B2C, e.g. eBay (www.ebay.com), or predominantly B2B, e.g. QXL (www.qxl.com)
5. virtual communities – these can be B2C communities such as iVillage (www.ivillage.co.uk) or B2B communities such as vertical net (www.vertical.net); these are important for their potential in e-marketing
6. collaboration platforms – these enable collaboration between businesses or individuals, e.g. E-groups, now part of Yahoo (www.yahoo.com) services
7. third party market places

⁴ Nowadays there is not a global recession but it is evident that the current world economy is not at his best. Oil prices are very high and a lot of banks are having problems with their financial situation.
<http://www.csmonitor.com/2008/0418/p01s01-usec.html/>
<http://www.watchfreepisodes.com/banks-in-trouble-list-what-90-banks-are-in-trouble-and-wheres-the-list-of-90-failing-banks-in-trouble/859/>

8. value chain integrations – offer a range of services across the value chain
9. value chain service providers – specialize in providing functions for a specific part of the value chain, such as the logistics company UPS (www.ups.com)
10. Information brokerage – provide information for consumers and businesses, often to assist in making the buying decision or for business operations or leisure
11. Trust and other services – examples of trust services include Internet Shopping is Safe (ISIS) (www.imrg.org/isis) or TRUSTe (www.truste.org) which authenticate the quality of service provided by organizations trading on the web

Chaffey (2002) tries to find overlap in the types of online revenue models mentioned above and he says that there are 3 perspectives for reviewing alternative revenue models. Any individual organization can operate in different categories. The 3 perspectives are the 'marketplace position', the 'revenue model', and the 'commercial model'. In this research we work according to the revenue model perspective because this model is very broad in its categorizing of online revenue models and it defines every way to earn money for organizations on the internet. Therefore it does not limit this research. The revenue model perspective exists out of the following models:

1. Direct product sales of product or service
2. Subscription or rental of service
3. Commission-based sales (affiliate, auction, marketplace)
4. Advertising (banner ads, sponsorship)
5. Sales of syndicated content or services (for media owner)

The revenue model is further explained in §2.4.1. Consider all of these approaches to revenue generation together, the site owner will seek to use the best combination of these techniques to maximize the revenue. This model is a good guideline since 2002 for organizations to understand the possibilities on the internet. There are authors who developed other models or adjusted the model of Timmers (1998), but in essence this model identifies all the options. Currently it is the year 2008, a lot has happened since 2002 and 'the world has flattened' further because of certain main events in the past decades (Friedman, 2006). The model of Chaffey (2002) could not be up-to-date anymore, or there could be a need for a total different model. There could also be other online revenue models developed or there could be a shift of usage within the online revenue models of Chaffey (2002).

Chaffey (2002) also discusses 'publisher revenue models', he gives 7 types of revenue models which are possible. For the publisher the main types of revenue models are:

1. *Subscription access to content*
2. *Pay-per-view access to documents*
3. *CPM display advertising on site (e.g. banner ads and skyscraper)*
4. *CPC advertising on site (pay-per-click text ads)*
5. *Sponsorships of site sections or content types (typically fixed fee for a period)*
6. *Affiliate revenue (CPA, but not CPC)*
7. *Subscriber data access for e-mail marketing*

For this research the categorization is too marginal and not extensive enough. Pay-per-view, CPM, CPC, fixed fee, and CPA are for this research categorized in the section 'advertising'. In the 'publisher revenue models' the emphasis therefore is too much on advertising. This is the main reason that this model of Chaffey (2002) is not used in the research

In order to do a qualitative research, a first look is taken at the current research on e-business models and online revenue models in the literature. By doing this, a new theoretical framework is developed. After this, a temporary answer with concern to the existing literature is given.

2.2.3 Summary literature on business models and online revenue models

For this research a summary of the most important existing literature on online revenue models and business models is made (table 1). The author(s), title and the year of publication can also be found in the left corner of the table. Next to this, the major findings of every research are summarized. The goal of this table is to give a short insight in important research that is done on online revenue models and business models in the past. By reading the table, a better consciousness can be made for the understanding of this research.

TABLE 1: Literature articles about online revenue models and their major findings

AUTHOR / YEAR / TITLE	ABSTRACT	MAJOR FINDINGS
<p>Gretzel, Yuan, and Fesenmaier (2000) Preparing for the new economy: Advertising strategies and change in destination marketing organizations</p>	<p>Advertising Strategies and Change in Destination Marketing Organizations</p>	<p>The success factors for marketing on the Web include the following:</p> <ol style="list-style-type: none"> 1. attracting users, 2. engaging users' interest and participation, 3. retaining users and ensuring they return, 4. learning about user preferences, and 5. relating back to users to provide customized interactions <p>Success of destination marketing organizations in the new economy is more about change in approach than technology itself</p>
<p>Shafer, Jeff Smith, and Linder (2005) The power of business models</p>	<p>Over the past few years, business models have surged into the management vocabulary. While it has become quite fashionable to discuss business models, there is still much confusion about what business models are and how they can be used.</p>	<p>Components of business models are classified into 4 primary categories:</p> <ul style="list-style-type: none"> § strategic choice § the value network § creating value § capturing value <p>Also a new definition of a business model is made:</p> <p>A representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network.</p>
<p>Lai and Wong (2005) Business types, E-strategies and performance</p>	<p>Dot-coms must be rebuilt and transformed to face the new economy: not only must they devise innovative e-strategies, but they must also restructure around new business models</p>	<p>Many EC organizations have introduced 4 different types of e-strategies to revamp their performance.</p> <ul style="list-style-type: none"> • Savings-related • Structure-related • Policy-related • Marketing-related
<p>Hong and Zhu (2005) Migrating to internet-based e-commerce: Factors affecting e-commerce and migration at the firm level</p>	<p>Web technology has enabled e-commerce. However, there is little research on how firms can better position themselves when adopting e-commerce for revenue generation. The authors developed a conceptual model for assessing e-commerce adoption and migration, incorporating six factors unique to e-commerce. A series of propositions were then developed.</p>	<p>The analysis demonstrates that:</p> <ol style="list-style-type: none"> 1. technology integration 2. web functionalities 3. web spending, and 4. partner usage <p>were significant adoption predictors</p> <p>Further they demonstrated that</p> <ol style="list-style-type: none"> a. web functionalities, b. web spending, and c. integration of externally oriented inter-organizational systems <p>tend to be the most influential drivers in firms' migration toward e-commerce</p>

<p>DeYoung (2005) The performance of internet based business models: Evidence from the banking industry</p>	<p>As the Internet becomes more important for commerce, Internet Web sites are playing a more central role in most organizations' business plans. An especially elegant case has been made for the "Internet-only" business model in the banking industry</p>	<p>Potential source of value in Internet-based business models:</p> <ul style="list-style-type: none"> § automation and increased scale: § learning <p>The framework allows learning to improve the performance of these firms in two ways:</p> <ul style="list-style-type: none"> § general experience effects § and technology-based experience effects
<p>Osterwalder & Pigneur (2002) An e-business model ontology for modeling e-business</p>	<p>A new e-business Model Ontology is designed. Using the concept of business models can help organizations understand, communicate and share, change, measure, simulate and learn more about the different aspects of e-business in their firm.</p>	<p>A new e-business Model Ontology is composed of 4 main pillars:</p> <ul style="list-style-type: none"> § Product Innovation § Infrastructure Management § Customer Relationship § Financial Aspects
<p>Osterwalder & Pigneur (2001) E-business model design, classification and measurement</p>	<p>This paper has the ambition to give Business Models a more rigorous content.</p> <ol style="list-style-type: none"> 1. A theoretical e-business model framework for doing business in the Internet era. 2. Propose a multi-dimensional classification-scheme for e-business Models. 3. To define critical success factors 	<p>Critical success factors:</p> <ul style="list-style-type: none"> § Product innovation § Customer relationship § Infrastructure management § Financials
<p>Tae Kyung Sung (2004) E-commerce critical success factors: East vs. West</p>	<p>The three main purposes of this paper are to identify critical success factors (CSFs) for electronic commerce (EC), investigate the explanatory power of these CSFs on firm performance, and compare differences in evaluating CSFs and explaining impact of CSFs on performance among in Korea, Japan, and USA</p>	<p>Literature review on Critical Success Factors for EC: Among others:</p> <ul style="list-style-type: none"> § Privacy of customer information § Cost of operations § Ease of use § Customer orientation § EC expertise in both technical and managerial perspectives § Payment § Variety of goods and services § Trust and loyalty of customers
<p>Chung-Shing Lee (2001) An analytical framework for evaluating e-commerce business models and strategies</p>	<p>This research develops an analytical framework based on the theories of transaction costs and switching costs. In addition, e-commerce revenue models and strategies are also discussed. Based on the analytical framework developed by this research, this paper discusses the five essential steps for e-commerce success.</p>	<p>Five essential steps for e-commerce success:</p> <ul style="list-style-type: none"> § Redefine competitive advantage § Rethink business strategy § Re-examine traditional business and revenue models § Re-engineer the corporation and website § Re-invent customer service

2.3 Towards a theoretical framework

Studies on the different e-business models and revenue models are in abundance present, and there is a need to combine elements of different studies into one theoretical framework. The suggested framework for this research is depicted in figure 1. The objective of this framework is to combine the main elements discussed in the literature review and to get a good overview of the online revenue models and their critical success factors that are most used and most mentioned in past literature.

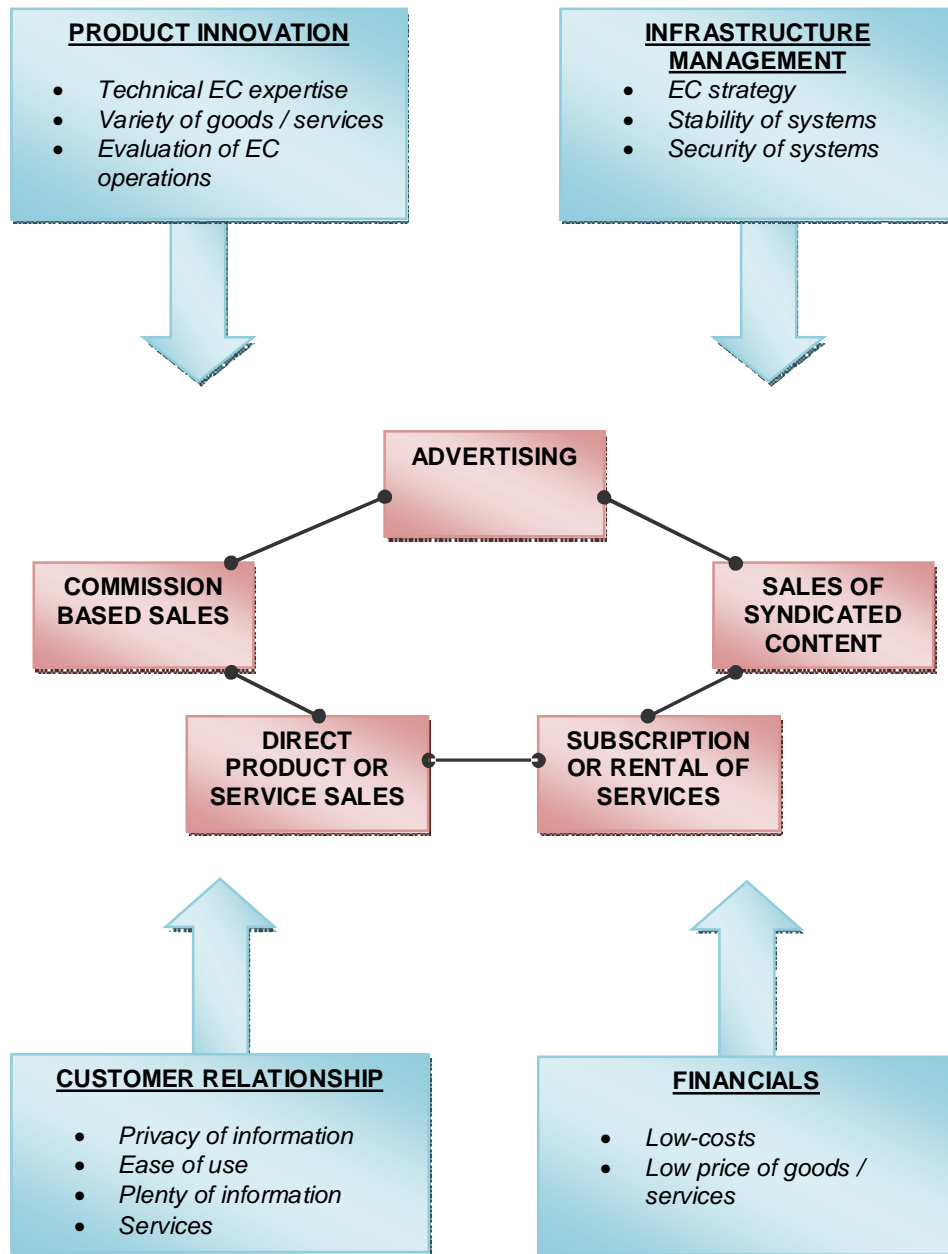
The theoretical framework exists out of the main online revenue models in e-business (the 5 boxes in the centre of the model) and the critical success factors (the 12 factors surrounding the online revenue models) that might have an influence on the implementation and usage of these e-business models and revenue models. These 12 critical success factors are divided into 4 main pillars in order to get a better understanding and categorization. For this research three authors are quoted and used in order to develop a new theoretical framework:

1. The revenue models are from Chaffey (2002)
2. The critical success factors are from Sung (2004)
3. These critical success factors are categorized according to the four pillars of the business model of Osterwalder (2001)



Chaffey (2002) is used because he is quoted in the major part of the literature studies on online revenue models; next to this he gives a good and clear overview of online revenue models. He made the clearest categorization of the models. Sung (2004) is used because he summarizes every success factor for E-commerce used in literature studies in the past, and he also gives a good and consistent overview of these critical success factors. Osterwalder (2001) is used because then the critical success factors can be categorized into four pillars. By doing this, the model gets a solid foundation and it can be understood in one glance. It is also a model that is often used by 'Atos Consulting', and the model is often used in other literature studies. Concluding it can be said that the model is trustworthy and respected in science.

With the help of the theoretical framework an answer can be given to the most used and most promising innovative online revenue model(s). It will also help to answer if there is a change in the importance of the critical success factors of the online revenue models. The importance of critical success factors from the literature and the critical success factors of organizations in the internet and media sector nowadays could still be the same. There could also be a shift and the importance of some critical success factors could be diminished and the importance of other critical success factors could be enhanced. The theoretical framework and its components will be further discussed in §2.3.

FIGURE 1: Theoretical framework; online revenue models and the critical success factors divided into the 4 pillars of a business model



LEGEND:

-  = The 12 Success factors from Sung (2004) categorized according to the 4 pillars of Osterwalder (2001)
-  = The 5 Online revenue models from Chaffey (2002)

2.4 Explaining the components of the theoretical framework

2.4.1 Online revenue models

For this research the 5 types of online revenue models of Chaffey (2002) are used. They are used because in the literature they are mentioned very often and it gives a good categorization of making revenue on the internet. These 5 online revenue models are used throughout this research in order to avoid overlap and to get a clear and consistent understanding. The five online revenue models are:

1. *Direct product or service sales*

Direct product or service sales are the sales of organizations' products on the internet in order to earn money.

2. *Commission-based sales*

A commission-based sale is also a good way to earn money on the internet. It is a method in which money can be earned by helping other people / organizations with their products / services, and by doing this, money can be earned. Examples of this are an affiliate, an auction or a marketplace.

3. *Subscription or rental of services*

On the internet it is possible to subscribe to a magazine or to a newspaper in return for a certain amount of money. It is also sometimes possible to hire products for a certain period of time in exchange for money.

4. *Advertising*

There are many advertising methods on the internet. A few of them are banners, tekstlinks and Google Ad Sense. In order to earn money with these advertising there are also different methods of calculating the charge for pages (advertisements) being served to pay for them:

4.1 *Fixed price*; a vast amount of money for displaying advertising

4.2 *CPM*; a holdover from traditional media advertising, and does not take advantage of the hypertext nature of the medium. It charges purely on the number of times the advertisement is served. It does account for branding effects that are not accounted for in the other models

4.3 *CPC*; a cost associated with each click on the advertisement to the target page

4.4 *CPS*; a cost associated with each sale created from a click on the advertisement

4.5 *CPL*; a cost associated with each lead created from a click on the advertisement

4.6 *Hybrid model*; a random combination of above mentioned calculating methods

5. *Sales of syndicated content or services*

Syndicated content is content that is generated or provided on a website from another source and is updated automatically without intervention. In this way organizations can provide information on their website which can be used by other websites through a link. Examples are search engines, headlines of news, and products that can be bought online.

2.4.2 Success factors of online revenue models

Sung (2004) describes critical success factors for adopting e-commerce. He made an overview of the existing literature on success factors for e-business. These factors may also be relevant for adopting online revenue models in the media sector. Sung (2004) identifies all the authors that did research on this topic. To give a clear understanding of which authors did research on success factors and what they found critical success factors, a summary of the authors and their success factors for e-commerce is given in table 2 in the following subsection. By summarizing all the critical success factors available in the literature, there is a good understanding of what factors should be taken into account for this research.

TABLE 2: Past studies on success factors for E-commerce

AUTHORS (YEAR)	SUCCESS FACTORS
<p>Huff, Wade, Parent, Schneberger & Newson (2000)</p>	<ul style="list-style-type: none"> § Add value in terms of convenience, information value, disintermediation, reintermediation, price, and choice § Focus on a niche market and then expand § Maintain flexibility § Segment geographically § Get the technology right § Manage critical perceptions § Provide exceptional customer services § Create effective connectedness and § Understand the Internet culture
<p>Tabor (1998)</p>	<p>A synergistic relationship between business strategy and strategic fit is the critical factor for EC success</p>
<p>Plant (1999)</p>	<ul style="list-style-type: none"> § Financial impact § Competitive leadership § Brand § Service § Market § Technology and § Site metrics
<p>Han & Noh (2000)</p>	<p>Han & Noh use critical failure factors (CFFs) to explore the factors that inhibit the growth of EC.</p> <ul style="list-style-type: none"> § Lower level of data security § Inconvenient use § Unstable systems § Lack of information mind § Dissatisfied purchasing and § Social disturbance
<p>Hagel & Rayport (1997)</p>	<p>The importance of information security and privacy are key EC success factors</p>
<p>Reichheld & Schefter (2000) Manchala (2000)</p>	<p>The importance of the trust of customers is a critical factor</p>
<p>Riggins (1999) Barua, Konana, Whinston & Yin (2000)</p>	<p>Eight key drivers for EC operational success:</p> <ul style="list-style-type: none"> § System integration § Customer orientation of IT § Supply orientation of IT § International operation of IT § Customer-related processes § Supplier-related processes § Customer e-business readiness and § Supplier e-business readiness
<p>Athey (1999)</p>	<p>The importance of EC strategy as success factor. Athey stresses that Electronic Commerce requires leadership as challenges for the future</p>
<p>Elofson and Robinson (1998) Fulkerson (1997) and Gonsalves, Lederer, Mahaney & Newkirk (1999)</p>	<p>Customer orientation is an important success factor</p>
<p>Hoffman and Novak (1997)</p>	<p>They explore the importance of marketing including pricing mechanisms</p>
	<p>Another stream of research is on the issue of evaluation and assessment of EC operations and web sites. These researches suggest that effectiveness of EC operations and web sites should be evaluated as EC is considered a strategic necessity</p>

In summary, the literature review on CSFs for EC indicates a broad range of issues. Sung (2004) says that from this extensive literature review, there are 16 critical success factors identified that are influencing the success of working with online revenue models:

§ Customer relationship	§ Plenty of information
§ Privacy of information	§ Variety of goods/services
§ Low-cost	§ Speed of systems
§ Ease of use	§ Payment process
§ EC strategy	§ Services
§ Technical EC expertise	§ Delivery of goods/services
§ Stability of systems	§ Low price of goods/services
§ Security of systems	§ Evaluation of EC operations

Because of the overlap in these 16 success factors and / or the relevancy of them, the 'bold' factors are left out of this research. This means there are 12 success factors left which could be relevant for working in an Electronic Commerce environment. The following arguments are present for neglecting these 4 factors: 'Customer relationship' is already one of the 4 pillars of the business model of Osterwalder (2001), which is used in the theoretical framework, and in the criteria of this research it is a very broad concept. Therefore it is not mentioned as an individual success factor. 'Payment process' used to be a difficult and therefore very important process. In this research it is not regarded as a critical success factor because nowadays in every organization it is automated and it does not influence the implementation of an online revenue model. 'Delivery of goods / services' can be compared with 'services' because in this research it is the same and therefore it will be asked only once to a respondent. And 'speed of systems' has an overlap with 'stability of systems', according to this research it is a small part of the stability and therefore it will not be mentioned in the questionnaire. The following 12 success factors remain for this research and they are explained by means of a question:

- 1 *Privacy of information*
Is there any illegal use of customer information?
- 2 *Low-costs*
Are costs and revenues in line with each other?
- 3 *Ease of use*
How easy is it to use menu's?
- 4 *EC strategy*
Is there a strategy with relation to online revenue models?
- 5 *Technical EC expertise*
Are there Electronic Commerce experts used by the organization?
- 6 *Stability of systems*
How constant is the system working?
- 7 *Security of systems*
Is there enough security from hackers?
- 8 *Plenty of information*
Is there enough information about services and / or commodities for customers?
- 9 *Variety of goods / services*
Is there a variety in the goods and / or services that are being offered?
- 10 *Services*
Is there a good service being offered?
- 11 *Low price of goods / services*
Are the prices of goods / services competitive?
- 12 *Evaluation of EC operations*
Is there an measurement index for Electronic Commerce?

In this research it is tested if these success factors are really that important for organizations in the internet and media sector when implementing and using online revenue models.

2.4.3 Categorizing the success factors according to the business model of Osterwalder

The 12 critical success factors are all individual success factors and they have different meanings, but some factors do have more interface with each other than other factors. Other factors do not have any overlap and they are very different. Overall, there is a lack of overview in these 12 factors. For this reason they are categorized into the 4 pillars of the business model of Osterwalder (2001). These 4 pillars are mentioned again below but they are already explained in §2.2.1.

1. *Product innovation*
2. *Customer relationship*
3. *Infrastructure management*
4. *Financials*

The 12 success factors are categorized into the 4 pillars of Osterwalder (2001):

Customer relationship:

- § *Privacy of information*
- § *Ease of use*
- § *Plenty of information*
- § *Services*

Infrastructure management:

- § *EC strategy*
- § *Stability of systems*
- § *Security of systems*

Product innovation:

- § *Technical EC expertise*
- § *Variety of goods / services*
- § *Evaluation of EC operations*

Financials:

- § *Low-costs*
- § *Low price of goods / services*

By categorizing the success factors there is a better overview of the success factors and therefore clearer conclusions can be drawn. Next to this, the business model of Osterwalder (2001) is also an often used and respected scientifically model, and therefore it gives reliability to this research.

2.5 Provisional answer to this research

After studying the extensive literature about business models and online revenue models, a provisional answer can be given to this study. After doing interviews with organizations in the internet and media sector it can be concluded if the provisional answer is correct and if there is a need for further study on online revenue models and their success factors.

Out of the literature it can be concluded that there are a lot of different online revenue models. Every author gives different names to the online revenue models, and there is no one consistent way in working with them. Some authors use 5 types of online revenue models, while others use 11 types, therefore it can be concluded that there is a lot of overlap in these revenue models. According to the literature the 5 online revenue models of Chaffey (2002) are the most used in e-business. These online revenue models are:

1. Direct product sales of product or service
2. Subscription or rental of service
3. Commission-based sales (affiliate, auction, marketplace)
4. Advertising (banner ads, sponsorship)
5. Sales of syndicated content or services (for media owner)

They are regarded as the online revenue models that are most promising and they are the best possibilities to earn money online. In the qualitative interviews research will be done on what organizations in the media sector find the best online revenue models and which models are most promising. The organizations are asked what kind of online revenue models they know and use most.

According to the literature there are also a lot of success factors for optimal working with e-business. These success factors will also be critical for online revenue models. Sung (2004) made a clear overview of all the success factors mentioned by different authors. He came up with a total of 16 success factors. For this research they are minimized to a total of 12 success factors because of the overlap in them or the relevance of some success factors:

- 1** Privacy of information
- 2** Low-costs
- 3** Ease of use
- 4** EC strategy
- 5** Technical EC expertise
- 6** Stability of systems
- 7** Security of systems
- 8** Plenty of information
- 9** Variety of goods / services
- 10** Services
- 11** Low price of goods / services
- 12** Evaluation of EC operations

Research is done if the critical success factors of the past literature are that important nowadays for organizations in the internet and media sector. It is also researched if there are other critical success factors for implementing and using online revenue models.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter is explained how the data of this research is collected. In research this can be done through different ways like observation, questionnaires and (semi) structured in-depth and group interviews. All ways have different methods, advantages and disadvantages. The method that will be used throughout this research will be explained properly. The selection of the organizations will be explained as well as the persons from whom data will be collected. Not every organization is relevant to collect data from. Every person within the same organization also has a different perspective on online revenue models. An overview of the relevant organizations and persons is given. A bottleneck could be the willingness of these organizations to cooperate with this research. In summary, all the factors relevant to collect data from and using the right methods will be explained in this chapter.

3.2 Choosing the right approach and method

3.2.1 Research approach

This research is exploratory. It is particularly useful because the goal is to clarify the understanding of a problem. It may well be that time is spent on exploratory research, and it shows that the research is not worth pursuing further. There are three principal ways of conducting exploratory research (Saunders, Lewis, & Thornhill, 2002):

- § A search of the literature
- § Interviewing 'experts' in the subject
- § Conducting focus group interviews

Exploratory research can be likened to the activities of the traveler or explorer (Adams and Schvaneveldt, 1991). Its great advantage is that it is flexible and adaptable to change. For this research there is willing to change the direction as a result of new data that appear new insights that can occur. This method is inherent to flexibility but it does not mean absence of direction to the enquiry. It means that the focus is initially broad and becomes progressively narrower as the research progresses. In this research a search on literature is made and 20 'experts' in the subject are interviewed

The research is also a qualitative research. Authors agree on the fact that there is a distinction between qualitative and quantitative research (for example, Bryman, 1988, and Easterby-Smith, Thorpe, and Lowe, 2002). However, attempts to define the distinctiveness of qualitative research, and therefore the way in which it can be distinguished from quantitative research, can be problematic (Silverman, 1993). Yin (1984:99) identifies in this case:

'The analysis of case study evidence is one of the least developed and most difficult aspect of doing case studies. Too many times, investigators start case studies without having the foggiest notion about how the evidence is to be analyzed... Such investigations easily become stalled at the analytic stage; this author has known colleagues who have simply ignored their case study data for month after month, not knowing what to do with the evidence.'

Miles & Huberman (1984:79) emphasize on the importance of the comparability techniques of qualitative research, like the use of data matrices, tables, graphs, and figures:

'Our experience tells us that narrative text alone is an extremely weak and cumbersome form of display. It is hard on analysts, because it is dispersed, spread out over many pages and is hard to look at; it is sequential rather than simultaneous, making it difficult to look at two or three variables at once; it is usually vaguely ordered; and it can get monotonous and overloading.'

Qualitative research is a field of inquiry that crosscuts disciplines and subject matters. Qualitative researchers aim to gather an in-depth understanding of human behavior and the reasons that govern human behavior. Qualitative research relies on reasons behind various aspects of behavior. Simply put, it investigates the *why* and *how* of decision making, not just *what*, *where*, and *when*. Hence, the need is for smaller but focused samples rather than large random samples, which qualitative research categorizes data into patterns as the primary basis for organizing and reporting results. Analyzing qualitative data is not a simple or quick task. Done properly, it is systematic and rigorous, and therefore labor-intensive and time-consuming. Fielding contents that "good qualitative analysis is able to document its claim to reflect some of the truth of a phenomenon by reference to systematically gathered data; in contrast, "poor qualitative analysis is anecdotal, unreflective, and descriptive without being focused on a coherent line of inquiry."

There are different strategies to deal with qualitative data that are collected. Tesch (1990) groups these strategies into 4 main categories. These categories indicate a number of broad ways of differentiating approaches to qualitative analysis.

- § Understanding the characteristics of language
- § Discovering regularities
- § Comprehending the meaning of text or action
- § Reflection

Some approaches to analyzing qualitative data are highly structured, whereas others adopt a much lower level of structure. Related to this, some approaches to analyzing qualitative data are highly formalized and proceduralized, whereas others rely much more on the researcher's interpretation. The first two categories listed above are associated with analytic strategies that require greater structure and set procedures to follow, in comparison with the second two. In this research it is tried to analyze qualitative data in a formalized way by conducting highly structured in-depth interviews. As a further way of differentiating between them, some approaches begin deductively, whereas others begin inductively. In broad terms, the first two categories in the list above are associated with some analytic strategies that commence deductively, where data categories and codes to analyze data are derived from theory and the predetermined analytical framework. In contrast, other analytic strategies associated with this list commence inductively. In general terms, the use of these dimensions should allow for this research to compare different approaches to qualitative analysis more easily. In this research the analyzing of data will mostly be done in a deductive way. More detail of the research approach and method in this research is explained in the next paragraphs.

3.2.2 Research method

The objective of this research is broad. The problem definition can be divided into 3 parts in order to get a better understanding of the research:

1. *Find the most promising (innovative) online revenue models that are being used at the moment*
2. *Find critical success factors for implementing and making use of these online revenue models*
3. *Find ways in how the online revenue models are being used by organizations in the internet and media sector?*

To find a reliable, non-biased, valid and not generalized answer to these questions, it is very important that the right method is being used. Qualitative researchers typically rely on 4 methods for gathering information (Saunders, Lewis, & Thornhill, 2002):

1. *participation in the setting*
2. *direct observation*
3. *in depth interviews*
4. *analysis of documents and materials*

Doing this research by observation is excluded because it is not possible to get relevant information in that way. It is possible to do this by a questionnaire or survey, but then there always remains uncertainty about the right person filling it in, getting enough respondents who are willing to fill in the questionnaire, and about the way the questionnaire is filled in. The right method to get information from organizations in the internet and media sector is to conduct in-depth interviews. 'An interview is a purposeful discussion between two or more people' (Kahn and Cannell, 1957). The interview is one of the most intensively used methods of data collection in the social sciences and it is heavily used in other familiar kinds of investigation, including opinion polls and market research. The style of interview that is employed in most qualitative research is different from the kind of interviewing that usually take place in quantitative research. But there is no typical approach to interviewing in qualitative research. By doing the interview in the right way, there will be no uncertainties and no shortage of information.

In this research there has been chosen for a study of in-depth interviews with 20 'experts' in the business of online revenue models in the internet and media sector. Also an analysis of documents and materials is made.

For the registration and categorization of the collected information it is very important to have a good preparation. Valid and reliable information in a qualitative research cannot be foreseen and researchers need to research a lot 'in the field'. This is something else then the accumulation of information and the shifting of the analysis to a later stadium, to have the -unfair- expectation that the meaning of the collected material will be clear automatically. In order to prevent getting in a maze of information, summaries of every interview have been made and temporary reports have been made.

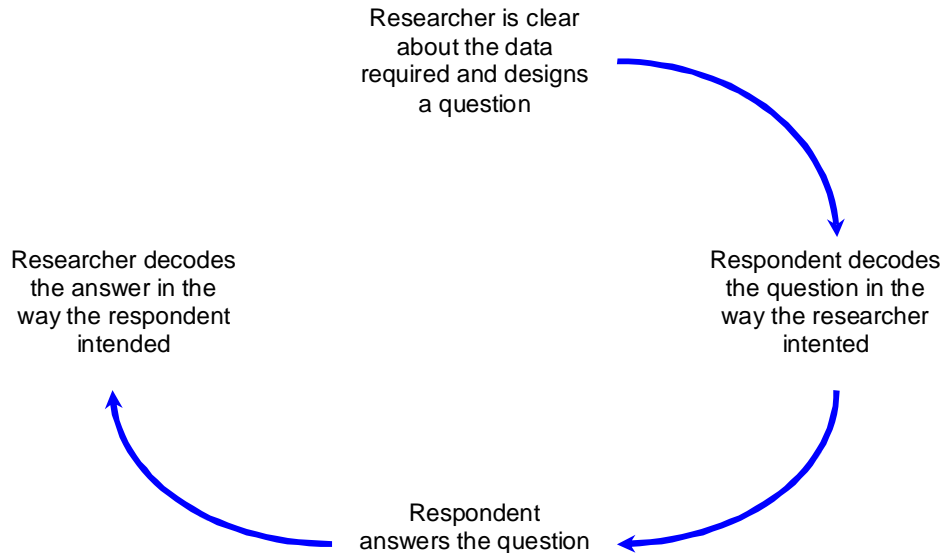
Before doing an interview, questions need to be developed and they need to be prepared and tested to be sure that the right things are being measured. Because there has been chosen for an in-depth interview, an interview protocol is made in order to help to conduct the interviews. It is not intended that the interview protocol will be filled in by the interviewee or read out loud. It is a medium for testing the questions and for helping the interviewer prepare the in-depth interview. More factors that could be important during the interviews will be discussed in the following paragraphs.

3.3 The interview protocol

3.3.1 Construction of the interview protocol

The validity and reliability of the data that will be collected and the response rate that will be achieved depends, to a large extent, on the design of the questions, the structure of the interview protocol, and the rigor of the pilot testing. A valid interview protocol will enable accurate data to be collected, and one that is reliable will mean that these data are collected consistently. Foddy (1994) discusses validity and reliability in terms of the questions and answers making sense. In particular, he emphasizes that 'the questions must be understood by the respondent in the way intended by the researcher and the answer given by the respondent must be understood by the researcher in the way intended by the respondent'. This means that there are at least 4 stages that must occur if the question is to be valid and reliable (figure 2).

FIGURE 2: Stages that must occur if a question is to be valid and reliable



Source: Saunders, Lewis & Thornhill (2002)

The nature of the interview needs to be consistent with the research questions and objectives, the purpose of the research and the research strategy that are adopted. Interviews may be highly formalized and structured, using standardized question for each respondent, or they may be informal and unstructured conversations. In this research the questions will be highly formalized and structured. This is because every respondent needs to understand the questions in the same way. This does not mean that every interview will be exactly the same. Depending on the progress of the interview, questions could be asked in a different order.

The interview protocol exists out of 30 questions. The questions are divided into open questions, probing questions and closed questions. It is composed out of literature and practice orientation. First a concept is made of the interview protocol and it is practiced with an expert panel from Atos Consulting. The expert panel exists out of 2 Principal Consultants and a Marketing & Communication manager. Because of the contribution of this expert panel, the interview protocol is tested on market knowledge, completeness in answering categories, and structure of questioning. This is done several times due to the improvements that need to be made. After the interview protocol is found satisfactory, it is tested in a 'real life' environment with an expert. Then the final version of the interview protocol is finished. In table 3 and 4 the questions can be found that are formulated for the interview protocol. The reasons why they are formulated in that way can also be found there. The first 9 questions are asked due to the introductory of the respondent to this research and to clarify if the respondent has the right background and knowledge for participating in the interview. The questions after this are on the subject 'innovative online revenue models'.

The design of the individual questions are determined by the data that the research needs. According to Bourque and Clark (1994), researchers do one of three things:

1. Adopt questions used in other interview protocols
2. Adapt questions used in other interview protocols
3. Develop their own questions

For preparing the interview protocol other interview protocols are seen, but no questions are adopted or adapted because it can allow reliability to be assessed. Most of the questions are open-ended and are developed without help of other interview protocols. This is done in order to minimize the limitation of the answers in the interviews. The following types of closed questions are asked:

- § List, the respondent is offered a list of items, any of which may be selected (questions 12, 13, 14, 26, 27, and 28)
- § Category, only one response can be selected from a given set of categories (question 24)
- § Rating, a rating device is used to record responses (question 22)

When constructing the questions, the order and flow is considered because it should be logical to the respondent (and interviewer). Before every interview, it may be necessary to include filter questions due to the applicability of the questions to every respondent. It is also considered where to introduce new topics, phrases such as ‘the following questions refer to...’ (Between question 9 and 10) or ‘I am now going to ask you about...’ (Between question 22 and 23)

TABLE 3: Introduction questions of the interview

NR	INTRODUCTION QUESTIONS	REASON FOR FORMULATION OF QUESTION
1	What is your name?	Introduction of the respondent and clarifying his/her knowledge
	In which organization do you work?	
3	In which department do you work?	
4	What is your function?	
5	Which education did you have?	
6	When did you finish your education?	
7	How many years of working experience do you have?	
8	What is your specialization in this organization?	
9	What does the subject ‘online revenue models’ have to do with your function?	

These questions are not analyzed in chapter 4 due to the relevancy for the outcomes of this research. They are only asked because of the confirmation of the respondents’ expertise and history. In table 4 the questions on the subject online revenue models and their components can be found. They are analyzed in terms of relationships, differences and trends.

TABLE 4: Major questions of the interview divided in categories

NR	STARTING QUESTIONS ON THE SUBJECT	REASON FOR FORMULATION OF QUESTION
10	What do you find more promising for the future, online revenue models or traditional revenue models?	Starting question to find out how the respondent thinks about online revenue models and traditional revenue models
11	Why do you find online revenue models / traditional revenue models the most promising for the future?	Find reasons why he / she thinks certain type of models are more promising
NR	QUESTIONS ON (PROMISING) ONLINE REVENUE MODELS	REASON FOR FORMULATION OF QUESTION
12	What kind of online revenue models do you know?	Find out what kind of online revenue models are most known
13	What kind of online revenue models do you use?	Find out what kind of online revenue models are most used
14	What kind of online revenue models do you find most promising?	Find out what kind of online revenue models are most promising
15	Why are these online revenue models most promising?	Find different reasons why certain online revenue models are most promising
16	Which online revenue models will the organization use in the upcoming years?	Find out what organizations want to do for the future with respect to online revenue models. Find out if they are innovative in this subject

NR QUESTIONS ON THE ORGANIZATION OF ONLINE REVENUE MODELS		REASON FOR FORMULATION OF QUESTION
17	How does the organization develop her knowledge about online revenue models at the moment?	Find out if there are special sources from which organizations get their knowledge of relation to online revenue models from
18	Is there a department selected for working on online revenue models?	Find out if there is one special department dedicated to the online revenue models or if the responsibilities are divided between the whole organization
19	Are the online revenue models technically and organizationally being implemented by the organization or by an external party?	Find out if there is a trend in organizations who have the technique and organizational expertise themselves or if they need to hire external teams if they want to implement online revenue models
NR QUESTIONS ON REASONS FOR (NOT) USING ONLINE REVENUE MODELS AND CSF'S		REASON FOR FORMULATION OF QUESTION
20	What are the reasons for using online revenue models?	Find out if there is one reason for using these online revenue models or if there are many more. Find out if organizations name the same reasons or all have different reasons
21	What are the reasons for not using online revenue models?	Find out if there is one reason for not using these online revenue models or if there are many more. Find out if organizations name the same reasons or all have different reasons
22	What are the critical success factors for implementing and using online revenue models?	Find out what organizations find the critical success factors for implementing and using online revenue models
NR QUESTIONS ON FINANCIAL GOALS REGARDING ONLINE REVENUE MODELS		REASON FOR FORMULATION OF QUESTION
23	In what way does your organization have financial goals according to the online revenue models?	Find out if organizations do have specific goals in relation to online revenue models. Maybe they are translated in the general goals or maybe separate goals have been formulated
24	In what way did the organization succeed in accomplishing these financial goals?	Find out if most of these financial goals are accomplished and match the reality of the organizations
25	Why are the financial goals (not) accomplished?	Find out what the reasons are for (not) accomplishing the financial goals
NR QUESTIONS ON ONLINE CALCULATING METHODS REGARDING ONLINE ADVERTISING		REASON FOR FORMULATION OF QUESTION
26	What kind of online calculating methods do you know?	Find out what kind of calculating method is best known
27	What kind of online calculating methods do you use?	Find out what kind of calculating method is most used
28	What kind of online calculating methods do you find promising?	Find out what kind of calculating method is most promising
NR QUESTIONS ON FUTURE RESEARCH ON ONLINE REVENUE MODELS		REASON FOR FORMULATION OF QUESTION
29	Do you think there is more necessity for scientifically research on online revenue models?	Find out if organizations find it necessary that more scientifically research is done on online revenue models or if they think that the current information is reliable and sufficient
30	Do you think there is more necessity for factual research on online revenue models?	Find out if organizations find it necessary that more factual information is needed on online revenue models or if they think that the current information is reliable and sufficient

This qualitative research produced large amounts of textual data in the form of transcripts and observational field notes. As mentioned before, the interviews are audio-recorded and subsequently transcribed. The interviews are reproduced as a written account in the program 'word'. In this research it is not only interesting to see what respondents say, but also in the way they say it. The systematic and rigorous preparation and analysis of the data was time consuming and labor intensive. The textual data is typically explored inductively using content analysis to generate categories and explanations. Data cleaning is also done after every interview. When this is done, a copy of the transcript is sent to the respondent by e-mail for final checking. This is very helpful for ensuring factual accuracy, but the interviewees also wanted to check their own grammar and use of language. Spoken and written language is very different as been encountered.

There is still much analytical work to do once the interviews are conducted. Textual data is explored using some variant of content analysis. In general, the qualitative data of this research does not seek to quantify data. The qualitative sampling strategy does not aim to identify a statistically representative set of respondents because expressing results in relative frequencies can be misleading. Simple counts are sometimes used and may provide a useful summary of some aspects of the analysis. In most of these qualitative analyses the data is preserved in their textual form and "indexed" to generate or develop analytical categories and theoretical explanations.

All the data relevant to each category are identified and examined using a process called *constant comparison*, in which each item is checked or compared with the rest of the data to establish analytical categories. This requires a coherent and systematic approach. The key point about this process is that it is inclusive; categories are added to reflect as many of the nuances in the data as possible, rather than reducing the data to a few numerical codes. Sections of the data such as discrete incidents will typically include multiple themes, so it is important to have some system of cross indexing to deal with this. Indexing the data creates a large number of units. Informed by the analytical and theoretical ideas developed during the research, these categories are further refined and reduced in numbers by grouping them together. It is then possible to select key themes or categories for further investigation typically by "cutting and pasting" that is, selecting sections of data on like or related themes and putting them together.

3.3.2 Usability of the interview protocol

When designing the interview protocol, there could be data quality issues identified in relation to the use of in-depth interviews. They are related to:

- § Reliability
- § Forms of bias
- § Validity and generalisability

The lack of standardization in such interviews may lead to concerns about reliability. In relation to qualitative research, reliability is concerned with whether alternative researchers would reveal similar information (Easterby-Smith, Thorpe & Lowe, 2002). One response to this issue of reliability is that the findings derived from using this research method are not necessarily intended to be repeatable since they reflect reality at the time they are collected. The issue of online revenue models is a situation which is subject to change.

The concerns about reliability in these types of interview are also related to issues of bias. For this research there are various types of bias considered. The first one is interviewer bias; this is where the comments, tone or non-verbal behavior of the interviewer creates bias in the way that interviewees respond to the questions being asked. Therefore for this research it is important to develop the trust of the interviewee, there needs to be no lack of credibility, and the value of the information given needs to be enough. Secondly, there is response bias. This type of bias may be caused by perceptions about the interviewer, or in relation to perceived interviewer bias. In case of this in-depth interview, it is an intrusive process. The aim is to explore events or to seek explanations. Therefore it is necessary that the interviewee does not provide a partial 'picture' of the situation that casts himself in a 'socially desirable' role, or to cast Atos Consulting in a positive or even negative fashion. The bias may also result from the nature of the individuals or organizational participants who agree to be interviewed. The time-consuming requirements of the interview process may result in a reduction in willingness to take part on this research.

There is also likely to be an issue about the generalisability of the findings from qualitatively based interview studies, although the validity of such studies is not raised as an issue. When considered validity, it refers to the extent to which the researcher gains access to their participants' knowledge and experience, and is able to infer a meaning that the participant intended from the language that was used by this person. The high level of validity that is

possible in relation to non-standardized qualitative interviews that are conducted is carefully made clear by the following quotation:

The main reason for the potential superiority of qualitative approaches for obtaining information is that the flexible and responsive interaction which is possible between interviewer and respondent(s) allows meanings to be probed, topics to be covered from a variety of angles and question made clear to respondents
(Sykes, 1991:8)

The qualitative research using in-depth interviews will not be able to be used to make generalizations about the entire population where this is based on a small and unrepresentative number of cases.

Like all research methods, the key to successful interview is careful preparations. There are many factors that rely on this preparation (Saunders, Lewis, & Thornhill, 2002). They are discussed in this paragraph. The most important factor for the interviewer to conduct interviews are the five P's: Prior Planning Prevents Poor Performance. It is very important to prepare every interview and to understand the background of the organization that needs to be interviewed. The interview protocol is a resource for the interviewer to assist during the interviews. It will not be read out by the interviewer on a standardized schedule, but it may differ according to the flow of the interview. All the answers will be recorded with a voice-recorder in order to ensure that no data will be lost. While there is social interaction between the interviewer and the interviewee, such as preliminary explanations that will be needed to provide, it does not mean that the questions will not be asked exactly as written and in the same tone or voice. It will be tried to do every interview in the same way in order to avoid bias.

A certain level of knowledge is necessary in order to conduct an interview. The interviewee will be supplied with information about the questions, and the subject, so he or she can prepare properly. The location of the interview is also important, there needs to be a quiet location without interruption of other people in order to prevent bias. When the researcher conducts the interview, he needs to be appropriately dressed due to the importance of the atmosphere. It is also necessary for the researcher to have a good and clear opening comment when the interview commences. This is an extra confirmation that the interviewee understands the construction of the interview protocol. The approach to questioning needs to be natural and the interviewee needs to get enough time to answer appropriate to the questions. The interviewer is aware of the nature and impact of its behavior. When acting strange, or uncomfortable, the atmosphere of the interview will not be optimal. Another very important point is the listening skills of the interviewer. The interviewer can demonstrate attentive listening skills. This is necessary for the interviewee to feel comfortable and seriously taken. The interviews will be recorded and there is a need for the confirmation of the interviewee in order to do this. Before every interview this will be asked. It is also very important to notice if there are any obstacles in cultural differences between the interviewer and the interviewee. When taking into account all of these factors, the chance of bias in the interviews will be minimized. In summary, the following factors are taken into account when conducting interviews for this research:

- | | |
|--|---|
| § <i>Level of knowledge</i> | § <i>Nature and impact of the interviewer's behavior during the course of the interview</i> |
| § <i>Level of information supplied to the interviewee</i> | § <i>Demonstration of attentive listening skills</i> |
| § <i>Appropriateness of location</i> | § <i>Scope to test understanding</i> |
| § <i>Appropriateness of the researcher's appearance at the interview</i> | § <i>Approach to recording data</i> |
| § <i>Nature of the opening comment to be made when the interview commences</i> | § <i>Cultural differences and bias</i> |
| § <i>Approach to questioning</i> | |

The expert panel contributes to the reliability of the questions as well. With reliability the consistency of the questions is meant. It is concerned with the robustness of the interview protocol and, in particular, whether or not it will produce confident findings at different times and under different conditions. By testing the interview protocol several times and checking internal validity and reliability, it is tried to reduce bias in this research as much as possible.

3.4 Collection primary data using in-depth interviews

The questions of the interview protocol need to be conducted with relevant organizations in the internet and media sector. Next to this, the right person inside the organization need to be interviewed. For this research an overview is made of organizations and persons who are interviewed for this research.

There are a lot of organizations in the internet and media sector in the Dutch market; therefore a categorization is made of 50 potential organizations who could be interviewed. The method that is used is *snowball sampling*. Snowball sampling is a technique for developing a research sample where existing study subjects recruit future subjects from among their acquaintances. This method is used for this research due to the enormous network of consultants of Atos Consulting. In the first weeks of this research appointments are made with senior consultants. They are asked to give their advice on this research and to come up with names of organizations in the internet and media sector. A sample of 50 relevant organizations is achieved after 3 weeks.⁵

To get valuable and useful information from these organizations it is necessary to interview relevant persons. In order to avoid limited answers to the interview protocols, the interviewees needed to have expertise in the internet and media sector. They need to have more than one year of senior managerial experience in the media and / or online sector. All these potential classified respondents are approached with the same format e-mail in which they are asked to participate in the research. The addressed persons got 2 weeks to respond to the e-mail, when they did not respond they got an e-mail reminder. If the potential respondents did not respond to this within 1 week, they were followed up by a telephone call. In this telephone call is asked if the respondent would like to participate in the research.

The goal is to conduct 20 interviews. After 4 months, and approximately 100 of addressed e-mails, this goal is achieved. In table 5 the organizations and persons who are interviewed for this research can be found. Their function is mentioned as the department in which they work. This is done because the outcomes of the interviews need to come from different departments in order to limit bias as much as possible. Therefore persons are interviewed with different backgrounds, although they all have expertise on online revenue models.

In figure 3 the years of managerial experience of the senior managers who are interviewed can be found. When all the data is recorded and collected, a summary of each interview is made. This is done for 2 purposes. First of all, to get a better understanding of the outcomes of the interview, and secondly, to give the interviewer insight into his answers and clarify if there are any misunderstandings or misinterpretations. When this is done, it is measured what the respondents really want to say during the interviews.

⁵ A table of the 50 organizations and persons contacted can be found in the appendices in table 8

TABLE 5: Organizations that are interviewed for this research

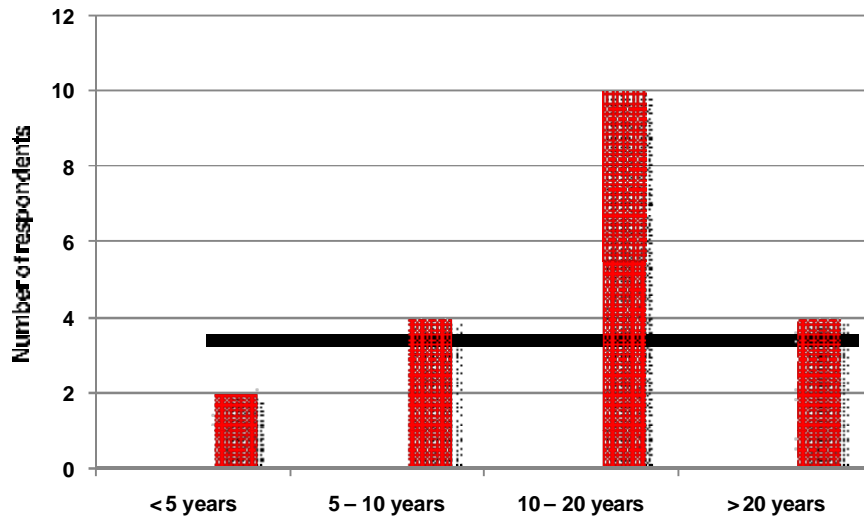
ORGANIZATION*	PERSON INTERVIEWED	FUNCTION	General management	Marketing & Innovation	Sales	Editorial	Other
<i>Boom Uitgevers</i>	Hertogs, R.	Webmaster					X
<i>Read Elsevier</i>	Saaltink, D.	Innovative manager		X			
<i>Voetbal International</i>	Schikker, G-J.	Marketing manager New Media		X			
<i>Trouw</i>	Makkinga, W-J.	Director publisher				X	
<i>Telegraaf</i>	Kind de, N.	Business Unit Manager		X			
<i>NDC VBK</i>	Bakker, H.	Head communication				X	
<i>Sp/its</i>	Polman, C.	Commercial director			X		
<i>Twentsche Courant Tubantia</i>	Bastet, G.	Director	X				
<i>Sprout</i>	Betlem, R.	Editorial chef online				X	
<i>Bright Techmedia</i>	Kneppers, O.	Director	X				
<i>Veronica Publishing</i>	Contant, P.	Director	X				
<i>Automatiserings Gids</i>	Hoesel van, T.	Sales manager			X		
<i>Nederlandse Publieke Omroep (NPO)</i>	Mokveld, M.	Manager company desk Internet		X			
<i>Ilse Media (Web-log.nl)</i>	Boon, F-J.	Business Unit Manager		X			
<i>KPN</i>	Dun van, P.	Financial manager					X
<i>WSquared Media</i>	Halle ter, W.	Director	X				
<i>deOndememer.nl</i>	Aykaz, R.	Director	X				
<i>Veronica Holding</i>	Nispen van, G	Director	X				
<i>Z24 (FD Mediagroep Online)</i>	Schneemann, C.	Sales director			X		
<i>SBS</i>	Verbeek, J.	Director	X				
		TOTAL	7	5	3	3	2

*Note that the first 12 organizations started with 'print' as their core business

Most of the interviews are done with respondent who work in general management. Also respondents inside other departments are interviewed. This is interesting because every department works in a different way on online revenue models. 'Sales' is more customer oriented

as 'marketing and innovation' is more inside the organization and includes the development of online revenue models.

Figure 3: Years of managerial experience of the respondents



Every interview took 1 hour to conduct excluding traveling and the preparation of the interviews. The questions are asked in the same way and in the same circumstances for every interview in order to avoid bias. A remark has to be made due to the possibility of structured questioning. During the interviews it becomes clear that it is not always possible to ask the questions in the same structure for every interview because of the background of the person and / or organization. Every interview is conducted in another location, but all the interviews are conducted one-on-one without the presence or interruption of other people. This is done because of the flow of the interview and to avoid bias.

3.5 Summary

This research is an exploratory research which consists of a literature study and 20 in-depth interviews with senior management expertise in the internet and media sector. In-depth interviews are conducted due to the quality and information gathering of this research method. The analyzing of the qualitative data of in-depth interviews is not a simple task. It is a systematic and rigorous, and therefore labor-intensive and time-consuming. For the registration and categorization of the collected information it is very important to have a good preparation.

The preparation of the in-depth interviews consists out of the development of an interview protocol. This is a resource which could help the interviewer conducting the interviews. It consists of 30 questions which are tested by an expert panel of Atos Consulting. Every question is tested multiple times with the panel in order to find out if the research measures what needs to be measured. The interview protocol is also tested on reliability, different forms of bias, validity and generalisability.

The data is collected by interviewing 20 senior managers of organizations in the internet and media sector. They are categorized by means of snowball sampling. This is done due to the enormous network of consultants inside Atos Consulting. The potential respondents are contacted through e-mail or telephone and every interviewed respondent has more than 1 year of experience. Every interview took 1 hour to conduct and it took place at the organization of the interviewee. It is tried to create the ideal circumstances and environment in order to minimize bias in the answers.

CHAPTER 4: DATA ANALYSIS, FINDINGS, AND DISCUSSION

4.1 Introduction

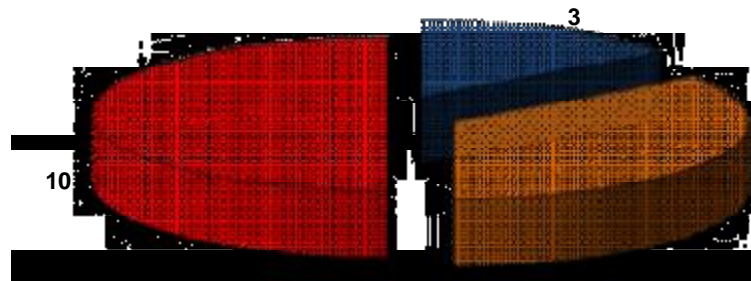
The goal of this chapter is to analyze the data from the interviews that are conducted. The findings of these interviews need to be compared to each other and to the literature review in order to draw conclusions. Discussion will probably rise due to the relationships, the differences and the trends. The challenge for this chapter lies in the fact how to analyze these in-depth interviews. The data must not be adjusted, but given in the way it is said. Next to this, the use of tables and graphs must not be in abundance, but not using any of this will be unclear. All the answers given on the questions of the subject online revenue models are treated in the following paragraphs.

4.2 Exploring and checking data of the interviews

The first questions on the subject of online revenue models are about revenue models in general. The questions are not solely about online revenue models, but about revenue models, which also include the traditional revenue models which publishers of papers and magazines use. To get a good overview of the outcome figure 4 is developed. When asking the first 2 questions about revenue models it becomes clear that the organizations which are interviewed believe that online revenue models are very promising for the future. The first question on the subject that is asked to the respondents:

1. What do you find more promising for the future, online revenue models or traditional revenue models?

FIGURE 4: The most promising revenue models according to the respondents (N=20)



■ Online revenue models ■ Traditional revenue models ■ Both promising

Only 3 respondents find traditional revenue models like advertising in print papers and magazines most promising for the future. The other 17 respondents find either online revenue models the most promising or a combination of online and traditional revenue models. In general, during the interviews it becomes explicit clear that the respondents are finding online revenue models the most promising revenue model for the future. Every organization is working with online revenue models, either exclusive or in combination with traditional revenue models. An example of a combination of online and traditional revenue model that is often mentioned; an organization is placing an advertisement in a paper, but it also wants the same advertisement on the website of the organization. The reason that 3 respondents find traditional revenue models more promising

is that the online revenue models do not meet the expectations of the organization and / or that 'print' is far more profitable at the moment. The organizations that mentioned traditional revenue models as more promising are organizations that started their business with 'print'. A follow up question that is asked is:

2. Why do you find online revenue models / traditional revenue models the most promising for the future?

Every respondent gives an opinion about this⁶. Respondents could give more than one reason in their reaction. A few interesting quotes from the respondents:

- § Traditional revenue models are being translated to online revenue models
- § On the long term money can be earned with online revenue models
- § Traditional revenue models will keep existing for a long period, although they are diminishing
- § Nobody really knows what the most promising is. There is hope that the online revenue models will be as big as traditional revenue models, but at the moment it is not even close
- § We keep investing in traditional revenue models because they are at the moment the most profitable. But online does need more attention for sure, because it is growing very hard
- § It is a combination of different types online and traditional what is most promising for the future, customers are sensitive for combinations

The organizations that started with 'print' as their core business (12 out of 20 organizations, table 5) think that their 'print' will stay for the upcoming years and they will still earn a lot of money with it. At the moment these organizations earn a lot more money through traditional revenue models than through online revenue models although it must be mentioned that online revenue is growing at these organizations. An obvious tendency is that the turnover from traditional revenue models is diminishing and that the turnover from online revenue models is growing. All these respondents also say that their organization is busy with the development of online revenue models. All the organizations spend a great amount of time on developing online revenue models. There is a great difference in how these organizations try to use and implement these online revenue models, as can be read in §4.3.3.

4.2.1 Online revenue models

According to the interviews it is clear that organizations in the internet and media sector find online revenue models more promising than the traditional revenue models. Therefore it is interesting to find out what kind of online revenue models they know and what kind of online revenue models they are using. Next to this, it is interesting to see which online revenue models they find most promising for the future.

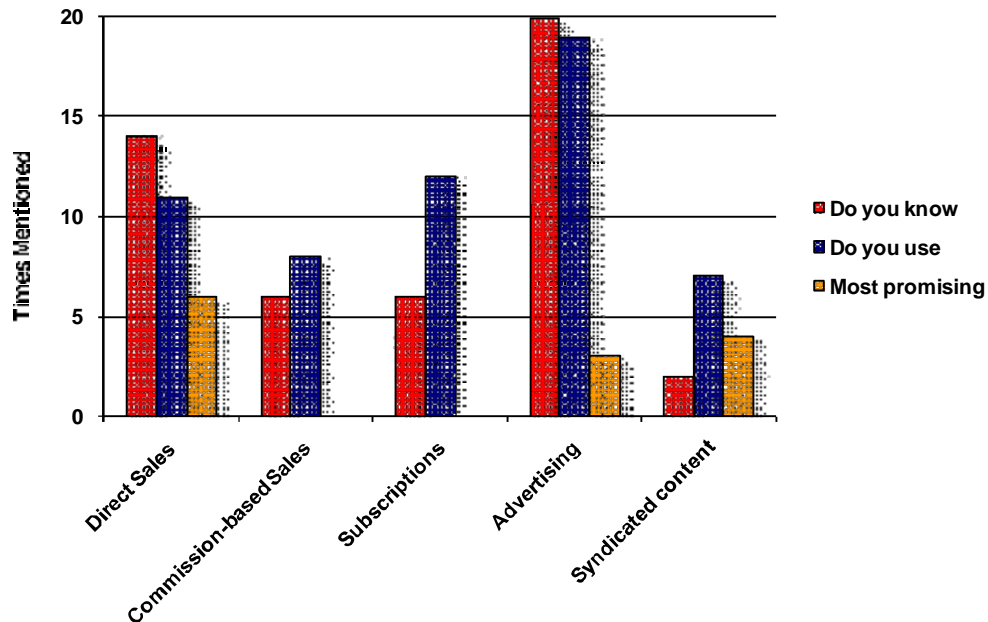
According to the literature review and the theoretical framework there are 5 general online revenue models which organizations use in e-business. In the interviews there are a few questions dedicated to this subject. The following questions are asked to the respondents:

3. What kind of online revenue models do you know?
4. What kind of online revenue models do you use?
5. What kind of online revenue models do you find most promising?

In figure 5 the outcome of these 3 questions can be found.

⁶ An overview of all the important and interesting quotes can be found in the appendices in table 9

FIGURE 5: Online revenue models in the internet and media sector (N=20)



Question 1 has first been asked spontaneously (the red colored beam), and after this the 5 online revenue models of the literature where shown to the respondent (these outcomes are not in the graph). When shown, almost every online revenue model is familiar to the respondents. It is remarkable that the association of online revenue models is in general with 'advertising' and more restricted with 'direct sales' when asked spontaneously.

Question 2 gives a different view on online revenue models. Although 'advertising' is almost used by every organization, 'subscriptions' are second in ranking. Another obvious outcome is that with 'commission-based sales', 'subscriptions', and with 'syndicated content', these online revenue models are more used than known. They are being used in organizations, but fewer respondents mention them spontaneously as an online revenue model. It means that they are in the beginning not associated as online revenue models.

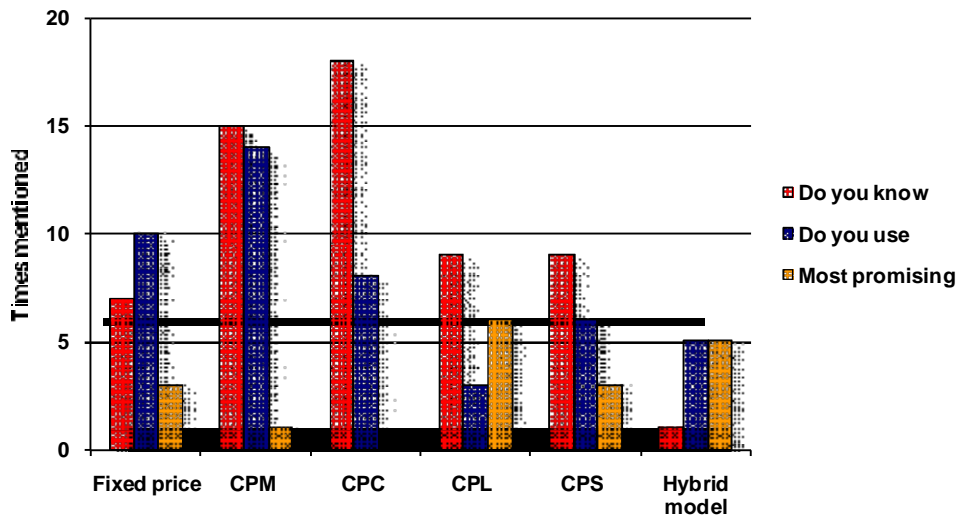
Question 3 gives remarkable answers regarding the most promising online revenue models. In the graph it can be seen that not one online revenue model is found to be most promising by a lot of respondents. Only 'direct sales', 'advertising', and 'syndicated content' are mentioned respectively '6', '3', and '4' times 'the most promising online revenue model' out of 20 respondents. If these online revenue models are being used a lot, but they are not very promising, then why are online revenue models being regarded as growing and profitable? The answer to this is a bit more complicated and will be given in paragraph 4.2.1.1.

In figure 5 it can be seen that advertising is the most used online revenue model at the moment. In paragraph 2.4.1 can be read that in order to earn money with these advertising there are also different methods of calculating the charge for pages (advertisements) being served to pay for them. Therefore also a few questions are asked to the respondents about calculating methods:

6. What kind of online calculating methods do you know?
7. What kind of online calculating methods do you use?
8. What kind of online calculating methods do you find promising?

The results to these questions can be found in figure 6.

FIGURE 6: Calculating methods known, used, and most promising according to the respondents (N=20)



In the figure above a few things are remarkable:

- § CPC and CPM are best known with the respondents in the internet and media sector
- § CPC is best known with the respondents, but it is not most used in comparison with the other calculating methods
- § Only one respondent mentioned the hybrid model as a calculating method. It is remarkable that more than one organization used the method and more than one found it very promising

Throughout the interviews there is one striking resemblance in the answers that respondents mentioned. Organizations that use calculating methods want more certainty in deliverables of revenue. This explains why organizations find fixed price, CPL, CPS, and the hybrid model most promising. Advertisers are using CPM and CPC a lot, but the uncertainty is high in what it will produce when implementing it. With fixed price, CPL, CPS, and the hybrid model, organizations can calculate future revenue in a better way. According to the interviews it seems that there is a shift from CPM and CPC to the other calculating methods.

4.2.1.1 The most promising online revenue models

In the previous paragraph it can be seen that respondent do not specific name the 5 online revenue models of the literature as very promising for organizations in the internet and media sector. This is due to the fact that the question is asked with no restriction in answering to the 5 online revenue models. It means that respondents have a different view regarding the online revenue models in comparison to the literature. When asking the following question a lot of interesting answers are given⁷:

9. Why are the mentioned online revenue models most promising?

Again, a few quotes are mentioned below:

⁷ An overview of all the important and interesting quotes can be found in the appendices in table 10

- § Web shops are taking over the traditional shops on the street
- § With direct sales, a lot more is possible. All kinds of products can be sold on the internet, there is no limit to it
- § Lead generation is very promising because it produces direct revenue for the advertiser and it is measurable
- § Target advertising is promising because then an organization exactly knows which consumers it needs to pay attention to. This is possible in the new economy, being 'massive personal'
- § Syndicated content is important, mainly because it cannot be copied
- § The combination of content and customer profiles is interesting for the drill of new markets

Out of the answers of the respondents it can be concluded that there is a great dissension between the answers given regarding the most promising online revenue models. Some organizations find direct sales like web shops very promising. This is mainly due to the deliverance of direct sales and due to the growth at the moment. Organizations think that a web shop can be developed and maintained relatively easy.

Advertising is seen as the most promising online revenue model according to the interviews. It is also the most used model inside the organizations. Advertising is a broad concept. In the answers regarding advertising there is also a great dissension. Mainly lead generation and target advertising is seen as most promising. This is similar to the answers given regarding the calculating methods. Reasons for this are because these models are seen as more trustworthy, more producing, and more profitable. A combination of content and customer profiles is also seen as very promising. From the answers to these questions it could be interesting to get a combination between lead generation, target advertising and customer profiles. These three forms of advertising are very much overlapping to each other and they could be mixed in order to be very profitable. A lot of publishers have major customer profiles with a lot of information. If they could find a way to treat these profiles responsible, target advertising would be a lot easier and leads could be delivered better.

In order to find out what the most promising online revenue models are according to the respondents, it is interesting to see what online revenue models the organizations will use in the upcoming years. Therefore the following question is asked:

10. Which online revenue models will your organization use in the upcoming 2 years?

The goal of this question is to see if the organizations are planning to use the same online revenue models that they already have nowadays, or maybe the organizations would implement totally different online revenue models in the upcoming years. The answer to this question is in general the same for most of the organizations. 18 out of 20 respondents are saying that they are searching for newer, more innovative online revenue models, and they will also keep on using the current online revenue models. 2 out of 20 respondents say that they will keep using the current revenue models, and they will not implement other online revenue models. Remarkable to hear is that every organization is busy searching for new opportunities and some are already implementing and starting to use other online revenue models. A lot of organizations are already changing to other online revenue models in order to produce more sales. It means that organizations think that more can be earned with online revenue models and that they are not making the most of it at this moment. Often mentioned future online revenue models are lead generation, target advertising, and trying to earn money through customer profiles.

4.2.2 Success factors for optimal using online revenue models

Literature study is done on critical success factors of online revenue models. In the in-depth interviews questions are also asked about this subject. It is also interesting to find out what

organizations find critical success factors in order to implement and use online revenue models. Therefore the following question is asked:

11. What are the critical success factors for implementing and using online revenue models?

This question is first asked spontaneously with no restriction in answering. It means that the respondents could first give their opinion on what they think are critical success factors for online revenue models. After this the respondents got 12 success factors displayed that are identified by Sung (2004) in order to give their opinion on this. The respondent needed to answer this question by categorizing every success factor into one of the following four factors:

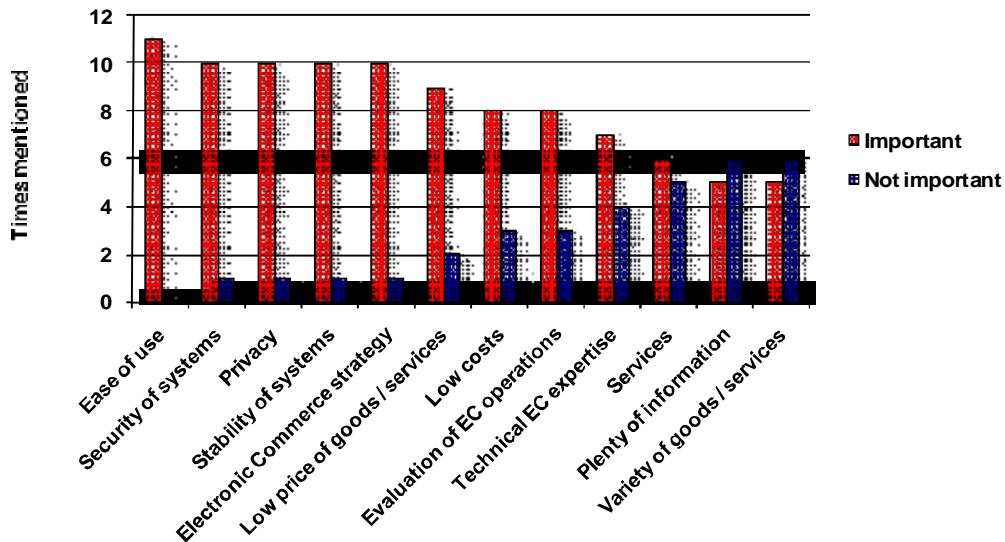
- § Very important
- § Important
- § Not really important
- § Not important

To give a clear overview of the answers, the categorization of the results are decreased to the following:

- § Very important
 - § Important
 - § Not really important
 - § Not important
- } Important
- } Not important

The results can be found in figure 7.

FIGURE 7: Most important critical success factors according to the respondents (N=11)



It is remarkable that not one respondent is finding 'ease of use' unimportant. It is seen as a critical success factors by every respondent. Next to this, 'security of systems', 'privacy', 'stability of systems' and 'electronic commerce strategy' are seen as important and only one respondent finds these factors not important. With the other critical success factors it can be seen that there is more variety in the answers given and the tendency is going more towards 'not important'.

Outliers are 'variety of goods / services', 'plenty of information', 'services', and 'technical EC expertise'. Respondents vary in their opinion about the importance of these factors. 'Variety of goods / services' and 'plenty of information' are even more often mentioned unimportant than important. Note that only 11 respondents give an answer to this question. This is due to the addition of this question in a later stage of the research. During the first interviews it became clear that critical success factors are very relevant and therefore the problem definition is partially changed in a later stage.

Without mentioning the 12 success factors of Sung (2004), the respondents mention a lot of interesting success factors in what they think is important⁸. A few interesting success factors that are mentioned:

- § Interactivity between the consumers and the organizations
- § The target group needs to be clear and consistent
- § Extremely well measuring is important, it is important to know what the performance is
- § Dare things, just do it
- § Openness, share knowledge with competitors
- § Easy accessibility

Remarkable is that a lot of different critical success factors are given. Every respondent is giving a clear and consistent answer to the question, but a lot of differences in the outcomes are measured. A factor that respondents name more than once is that the website of an organization needs to attract enough reach. But how create reach and attract potential customers to websites? Reach could be depending on a lot of other factors. Examples of this could be 'easy accessibility of the website', 'low price of goods / services', and 'plenty of information'. This means that one critical success factor is not enough in order to get the full potential out of online revenue models. More critical success factors need to be present for one organization in order to implement online revenue models and to produce a lot of turnover. Future research could find an answer to this question. Another remarkable finding is that a lot of critical success factors given by the respondents indicate that organizations find the online market difficult to enter; the market is very unique, changing and difficult to the organizations. When respondents name 'extremely well measuring', 'openness with competitors', and 'use young people because they have more knowledge of online', then it can be concluded that it is very difficult to operate in the market for these organizations. Maybe the knowledge of the possibilities and technical capability of the organization itself is not yet good enough and the organizations need to transform more to transparent organizations.

The 12 success factors mentioned by Sung (2004) have a lot of overlap and a clear overview is absent, therefore they are categorized according to the 4 pillars of the business model of Osterwalder (2001). For the understandability the categorization is mentioned once again:

Customer relationship:

- § *Privacy of information*
- § *Ease of use*
- § *Plenty of information*
- § *Services*

Infrastructure management:

- § *EC strategy*
- § *Stability of systems*
- § *Security of systems*

Product innovation:

- § *Technical EC expertise*
- § *Variety of goods / services*
- § *Evaluation of EC operations*

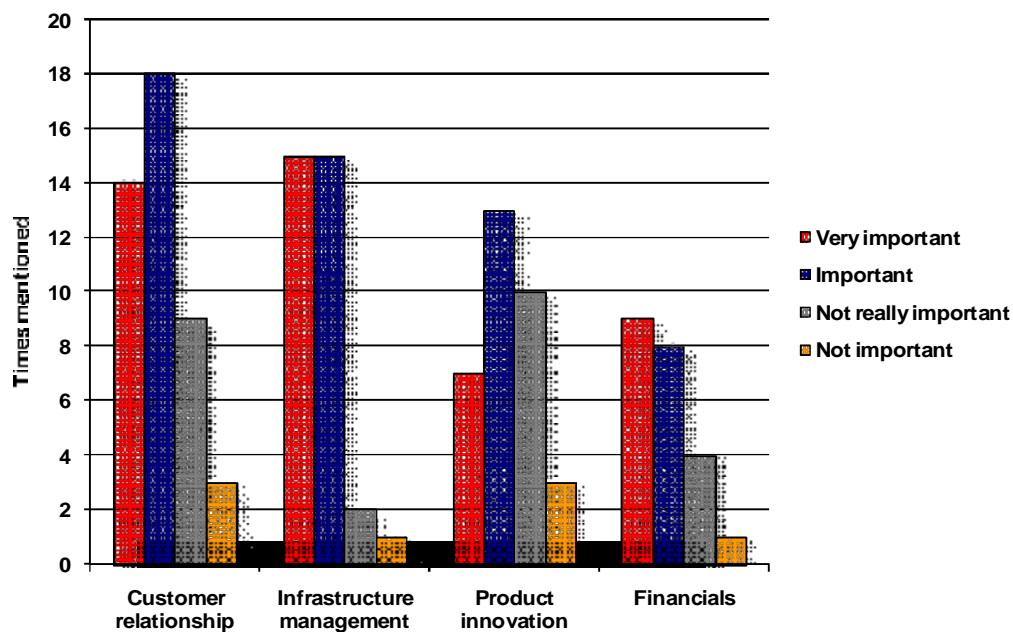
Financials:

- § *Low-costs*
- § *Low price of goods / services*

⁸ An overview of all the interesting success factors mentioned by respondents can be found in the appendices in table 11

When grouping these 12 critical success factors into the 4 pillars of Osterwalder (2001), it is clearer in which corner of the pillars respondents find critical success factors the most important. Organizations could find critical success factors regarding 'customer relationship' more important than critical success factors regarding 'infrastructure management'. If there is a big difference in the outcomes of the pillars, then organizations know what is important to focus on. A note must be made that there is a difference in the amount of factors in every pillar. This has an influence on the outcomes of the question. In future research this could be taken into account. The results of the outcomes can be found in figure 8.

FIGURE 8: The 12 success factors classified into the 4 pillars of the business model of Osterwalder (N=11)



As can be seen in figure 8, the critical success factors of Sung (2004) are in general (very) important to the respondents. Nevertheless, it is remarkable that the respondents find it more important to have a good customer relationship and to manage the infrastructure in a proper way. In general, before this research, it is thought that organizations with a lot of financials and a unique product (product innovation) are very good in using and implementing online revenue models. During the interviews it can be concluded that respondents find other success factors more important. Remarkable is also that not a lot respondents find 'infrastructure management' and 'financials' not (really) important. It means that the critical success factors in these pillars are in general important and need to be present when implementing and using online revenue models.

Concluding it can be said that there is not a great difference in importance between the 4 pillars. All the pillars of Osterwalder (2001) are important when implementing and using online revenue models. 'Infrastructure management' and 'customer relationship' are mostly mentioned as (very) important, but 'product innovation' and 'financials' are also (very) important factors according to the respondents. It can be concluded that the literature review on critical success factors has a lot of similarity with the organizations that are interviewed for this research.

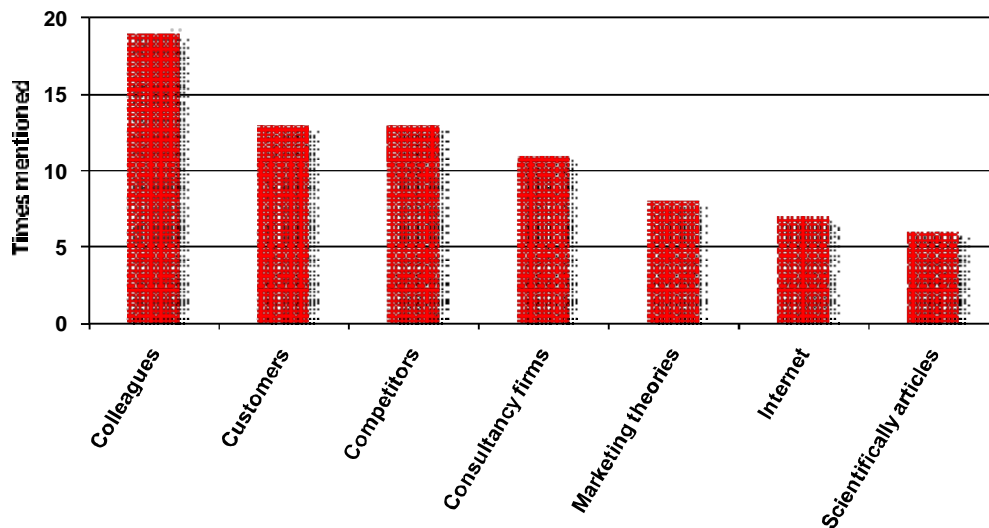
4.2.3 How organizations in the internet and media sector use online revenue models

A few questions are also asked about the processions of the organizations regarding the online revenue models. The following question is the first question out of a sequel of 8 questions.

12. How does the organization develop her knowledge about online revenue models at the moment?

The outcome of this question can be seen in figure 9. It can be concluded that most of the information that organizations get about online revenue models is from the colleagues of the organization itself. Almost every respondent gives this answer to the question. Remarkable is that the least information is gathered from scientifically articles and from internet. Especially internet is a bit strange due the bulk of information about online revenue models on the World Wide Web. The reason that internet is not mentioned very often could be due to the reason that internet is seen as a normal resource that employees always use. Respondents find scientifically articles not very useful in order to develop knowledge about online revenue models as also can be seen in the outcome of question 20 of this chapter.

FIGURE 9: Sources used by organizations in order to gather and develop knowledge about online revenue models (N=20)



For this research it is interesting to see how important organizations find online revenue models and in which way they translate this to the departments. In order to measure this it is asked if the organizations dedicate the implementation and use of online revenue models to one department or if there is no clear distribution of tasks inside the organization concerning online revenue models. Therefore the following question is asked:

13. Is there a department selected for working on online revenue models?

It is remarkable that only 50% of the interviewed organizations have a separate department which works on online revenue models. In the first few paragraphs it can be read that online revenue models are found very important by organizations. Therefore it is remarkable that only 10 out of 20 organizations have a separate department for working on online revenue models. When respondents mention that the organization does have a department for working on online revenue models, the following departments are mentioned:

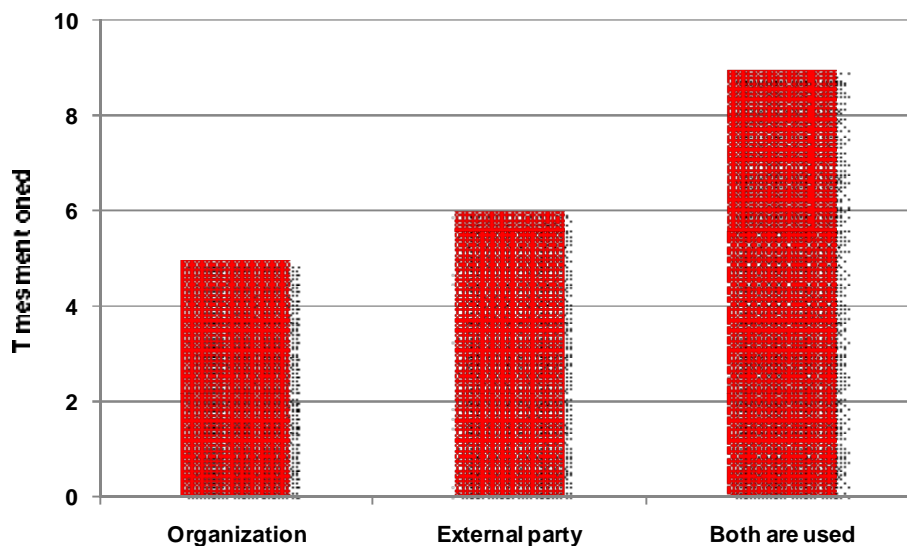
- Online marketing department (4 times)
- The sales department (3 times)
- Online media (3 times)

The other 10 organizations have no such department. For these organizations the responsibility for online revenue models is distributed over different departments. The tasks concerning online revenue models exist also out of the implementation of (new) online revenue models. This could be a difficult and time consuming work. To find out if the interviewed organizations do this by themselves or if they hire external parties the following question is asked:

14. Are the online revenue models technically and organizationally being implemented by the organization or by an external party?

In figure 10 the outcome of this question can be seen in one glance. It is remarkable that only 5 organizations out of 20 implement all the online revenue models by themselves. These organizations do not hire an external party to do this. The answers do not say anything about the future of the organizations. It could be that these organizations will hire an external party in the future. 6 organizations hire external parties when implementing online revenue models. These organizations do not have the technical and organizational expertise themselves. 9 organizations hire an external party occasionally due to the technical expertise that organizations have. Some online revenue models can be implemented by themselves.

FIGURE 10: Who does the technical and organizational implementation of online revenue models (N=20)



Concluding it can be said that organizations in the internet and media sector use in most of the cases an external party for implementing and maintaining online revenue models. A lot of these organizations do not have the technical and organizational expertise at this moment by themselves and they need to hire external parties in order to do this. Future research could investigate if this is a waste of money or if organizations save money by hiring external parties.

4.2.3.1 Reasons for using online revenue models

All the organizations in the internet and media sector start to use online revenue models at this moment. There could be several reasons why these organizations started using these online revenue models. Obviously these organizations want to make a profit and therefore they start

using online revenue models, but there could also be other underlying reasons. To get an answer to this the following question is formulated:

15. What are the reasons for using online revenue models?

Before asking this question to the respondents, an expert panel of Atos Consulting came up with the most important reasons for using online revenue models. The expert panel came up with a series of arguments that can be seen in table 6. The question is first asked spontaneously to see if respondents came up with the same reasons (1st column). After this, every respondent is asked if the reasons did occur in the organization in the past (2nd column). This is done by reading every reason up loud, and then the respondent reacted to this.

If the question is asked spontaneously, it can be seen that almost every respondents says that the organization uses online revenue models due to the reason that 'it could generate a lot of revenue'. If the reasons are being read out loud to the respondents it can be seen that the respondents react differently and then the reasons are more distributed. The most mentioned reasons are:

- § Competitors are doing it
- § Internet is a flexible medium with little time to market
- § Reactions of customers can be measured better than with offline media

TABLE 6: Reasons for using online revenue models mentioned in numbers and percentages

REASONS	RESPONDENTS (N=20)*	
	Mentioned spontaneous	Mentioned after being read aloud
Competitors are doing it	0 (0%)	10 (50%)
The costs of online advertising is lower for the organizations	0 (0%)	5 (25%)
It could generate a lot of revenue	15 (75%)	4 (20%)
Reactions of customers can be measured better than with offline media	0 (0%)	9 (45%)
Online revenue models are the future	0 (0%)	8 (40%)
Advertising on the internet can be enriched with flash animations, video, and sounds	0 (0%)	7 (35%)
The marketing activities are better measurable	0 (0%)	6 (30%)
It can be more professional	1 (5%)	5 (25%)
Internet is a flexible medium with little time to market	0 (0%)	9 (45%)
It gives especially new joiners (customers) chances in the market	0 (0%)	6 (30%)
TOTAL ARGUMENTS MENTIONED	16	69

* Percentages add to more than 100% due to multiple responses

If the most mentioned reasons are analyzed, it can be seen that the organizations are using online revenue models due to the fact that they are better compared to 'traditional revenue models'. Online revenue models are more flexible and reactions of customers can be measured better.

When the question is asked spontaneously, respondents came up with other reasons than are formulated by the expert panel⁹. A few important reasons mentioned by the respondents:

⁹ Reasons mentioned spontaneously by respondents on why they use online revenue models can be found in the appendices in table 12

- § Intuitive is online close to print, because we offer both information and advertising, so the models are also deducted from each other
- § The organizations needs to come along with the developments
- § There is a big market for us in video, this is why the organization is doing it
- § The organization wants to be innovative in the market
- § Traditional canals are diminishing, therefore other canals need to be discovered
- § We want to go together with the customer, who is also going online. So it is necessary in order to stay competitive

The reasons that are given indicate a trend from traditional models to online revenue models. It seems that the organizations do not have another option and they need to change towards online revenue models because the developments indicate this. If the organizations want to remain innovative and profitable, they need to adjust towards online revenue models in the future. The online market is getting larger for these organizations, and it cannot be neglected anymore.

4.2.3.2 Reasons for not using online revenue models

As can be seen in the previous paragraph, there are a lot of reasons why organizations use online revenue models. It is interesting to see what the opposite of this is due to the fact that there should be a lot of reasons why organizations do *not* use online revenue models. Therefore the following question is asked:

16. What are the reasons for not using online revenue models?

This question is once again asked spontaneously in first place in order to see what the reasons are. After this, the reasons in table 7 (formulated by the expert panel of Atos Consulting) are read out loud and the respondents reacted to this.

TABLE 7: Reasons for not using online revenue models mentioned in numbers and percentages

REASONS	RESPONDENTS (N=20)*	
	Mentioned spontaneously	Mentioned after being read aloud
It is a threat of the brand and the value of the brand	2 (10%)	8 (40%)
It is too unfamiliar	3 (15%)	10 (50%)
It is too expensive to implement	4 (20%)	9 (45%)
The knowledge of employees is not adequate	3 (15%)	12 (60%)
It is not (enough) profitable	7 (35%)	10 (50%)
It takes too much time to implement and maintain	3 (15%)	14 (70%)
It is not promising enough	1 (5%)	14 (70%)
The technique is not capable enough for the new models	5 (25%)	5 (25%)
It is a threat of the editorial freedom	2 (10%)	8 (40%)
It is sensitive for fraud	0 (0%)	5 (25%)
It is not good for the existing revenue	1 (5%)	8 (40%)
TOTAL ARGUMENTS MENTIONED	31	103

* Percentages add to more than 100% due to multiple responses

Not like in table 6, one reason is obvious present when mentioned spontaneously, but here the answers are more distributed. It is remarkable that almost 2 times more reasons are mentioned for not using online revenue models, 31 versus 16 and 103 versus 61. The respondents are in general more open when this question is asked, and they could mention a lot of reasons for not using online revenue models.

Remarkable is also that a lot of respondents find certain online revenue models 'not (enough) profitable', and therefore they will not use them. Next to this, the 2nd most mentioned reason is that 'the technique is not capable enough for the new online revenue models'. This means that the organizations need to hire external parties or they need to invest in their own employees and techniques.

When all the reasons are read out loud, most of the respondents find online revenue models 'not promising enough', it takes 'too much time to implement and maintain', and 'the knowledge of employees is not adequate'. Again, it means that organizations are not yet capable enough to work with online revenue models.

When the question is asked spontaneously to the respondents, the respondents come up with other reasons than formulated by the expert panel¹⁰. A few important reasons mentioned by the respondents:

- § Certain online revenue models are not in line with the believe of the organization
- § The organization is thinking too much in print
- § Online revenue models are too small-scale
- § The organization does not want ringtones, sex, or gambling because we have a special interest group
- § If we damage our customers with online revenue models, then we will not use it
- § Online revenue models are too new, our customers are not yet ready for it

There is a sort of overlap in reasons given spontaneously and reasons of the expert panel. Nevertheless it can be concluded that every organization is thinking differently about this and the reasons are very diverse and in abundance present. Remarkable is that a lot of organizations take their customers into account. The organizations do not want to lose their current customers, and they are very careful with this before they will implement new online revenue models.

4.2.3.3 Financial goals regarding online revenue models

Online revenue models are relatively new and changing in the market. Therefore it is interesting to see if organizations in the internet and media sector have financial goals regarding online revenue models. Every organization has formulated financial goals, but while online revenue models are a quite new phenomenon it is interesting to see if there are separate financial goals regarding the online revenue models.

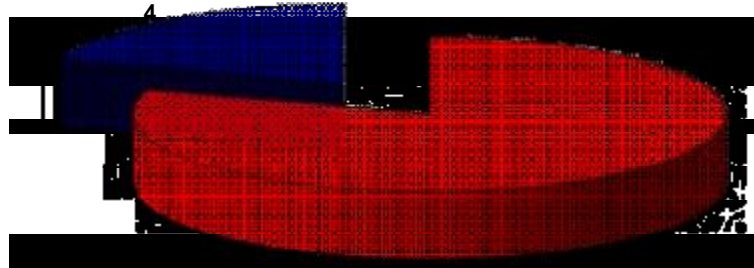
In this paragraph the outcomes are given of the questions regarding financial goals of online revenue models. It is interesting to see that there is a lot of differentiation in the answers given to these questions. The first question that is asked to all the respondents:

17. In what way does your organization have financial goals according to the online revenue models?

In figure 11 the outcome of this question can be seen. Out of 20 respondents, 16 organizations have financial goals regarding online revenue models. This means that they have separate financial goals for online revenue and that they are not included in the general financial goals. These organizations find it really important that the online revenue models will develop every year. The best way to measure this is to formulate separate financial goals.

¹⁰ Reasons mentioned spontaneously by respondents on why they not use online revenue models can be found in the appendices in table 13

FIGURE 11: The amount of financial goals that organizations have regarding online revenue models (N=20)



■ Financial goals ■ No financial goals

A lot of organizations find online revenue very important due to the fact that they formulate separate financial goals for them. But what kind of financial goals do these organizations have?¹¹ There is a big difference in the kind of financial goals. A few interesting quotes on these financial goals are mentioned below:

- § We have goals like; in the upcoming year 50% of the turnover needs to be from online revenue models. The goals are not separated for every online revenue model. This is because the market and the online revenue models are subject to change at the moment
- § In 2009 we have the goal to get 40% of the turnover from other revenue models than 'print'
- § We have clear growth goals regarding online revenue models. They are higher than the goals regarding print
- § In 2009 we want to get 10% of our turnover from online revenue models
- § We have got substantial financial goals for the upcoming 5 years regarding online revenue models
- § We do have financial goals. They are being documented according European levels

A lot of the financial goals regarding online revenue models exist out of a certain percentage that needs to be obtained in relation to the general turnover. Other financial goals have to do with the growth of online revenue models or simply a certain amount of turnover. It is regretful that respondents did not go in detail regarding the financial goals. The respondents did not want to provide the financial goals of the organization itself. Therefore the answers to this question remain superficial.

A lot of organizations formulate financial goals, but whether these financial goals are being achieved is another subject. Therefore a multiple choice question is asked to every respondent:

¹¹ An overview of all the quotes on financial goals mentioned by respondents can be found in the appendices in table 14

18. In what way did the organization succeed in accomplishing these financial goals?

The following categorization is made for answering this question:

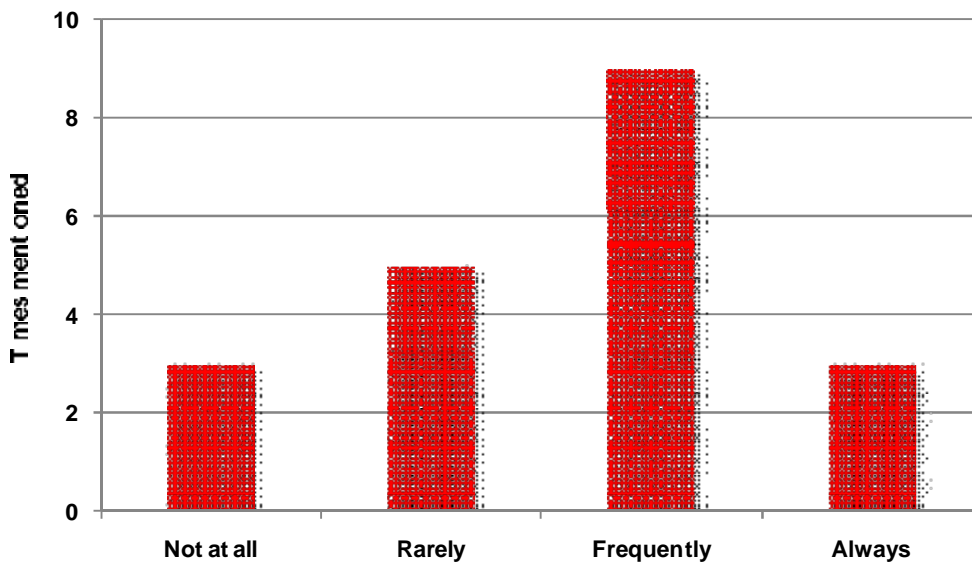
- § Not at all
- § Rarely
- § Frequently
- § Always

The outcome of this question can be found in figure 12. The financial goals are accomplished relatively often. 9 organizations achieved their financial goals frequently in 2007 and 3 organizations achieved their financial goals always in this year. It means that 12 out of 20 organizations reached their goals in 2007 many times. This could mean two things; it means that these organizations work efficiently or it could mean that the financial goals that are formulated are too easy to accomplish. Further research could find an answer to this question.

Out of 20 organizations, also 8 organizations do not or rarely accomplish their financial goals. These organizations need to adjust their financial goals or they need to work more efficiently in order to reach these goals. This is also something that could be researched in future studies.

In general it can be said that financial goals are more often achieved than not, but their remain organizations who do not achieve their financial goals. Improvements can be made for organizations if they spend more time and knowledge to the formulation of financial goals.

FIGURE 12: Accomplishment of financial goals in the year 2007 (N=20)



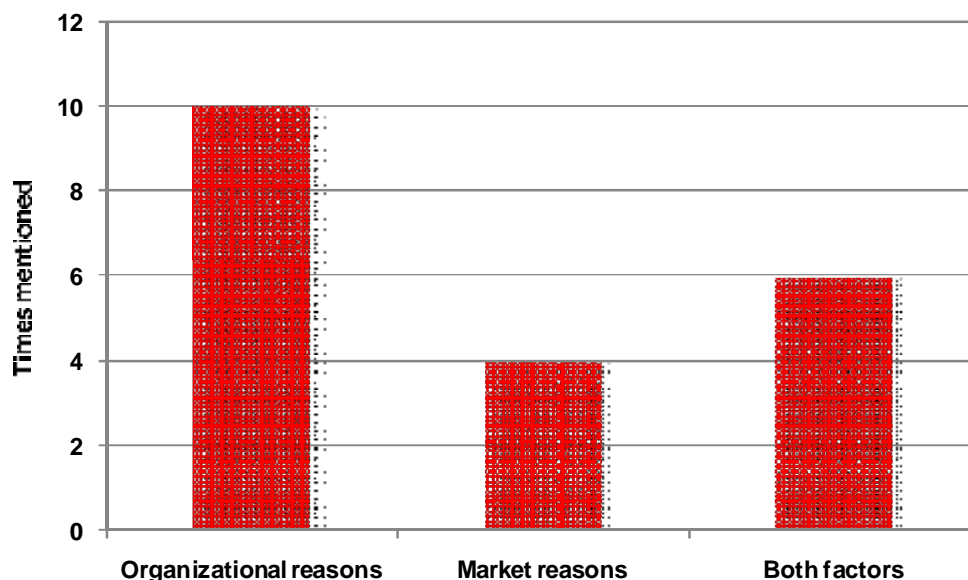
The majority of the financial goals are being accomplished but also a lot of financial goals are not being accomplished. Therefore it is interesting to see why these financial goals are (not) being accomplished. Will the reasons be due to the current market situation or will these reasons be due to developments and situations inside the organization? The following question is asked in order to get a clear answer:

19. Why are the financial goals (not) accomplished?

The outcome of this question can be found in figure 13. It is interesting to see that most of the respondents say that solely organizational reasons are responsible for (not) accomplishing financial goals. It means that organizations think that they have a big influence in the accomplishments of the financial goals.

Only 4 respondents say that market reasons are responsible for (not) accomplishing financial goals. 6 respondents say that both market reasons and organizational reasons are responsible for (not) accomplishing financial goals. Therefore it can be concluded that organizations do have a significant impact on the financial goals themselves, and respondents are aware that it are organizational reasons for (not) accomplishing financial goals. Organizations must organize themselves in such a way that financial goals can always be accomplished. Future research can be done on how organizations must organize themselves in order to achieve financial goals.

FIGURE 13: Reasons for (not) accomplishing the financial goals in 2007 (N=20)



4.3 Future research according to the respondents

During the interviews there are also questions asked about future (scientifically) research regarding online revenue models. It is interesting to see how organizations think about all the research that is done in the past about online revenue models. To get an answer the following questions are asked:

20. Do you think there is more necessity for scientifically research on online revenue models?
21. Do you think there is more necessity for factual research on online revenue models?

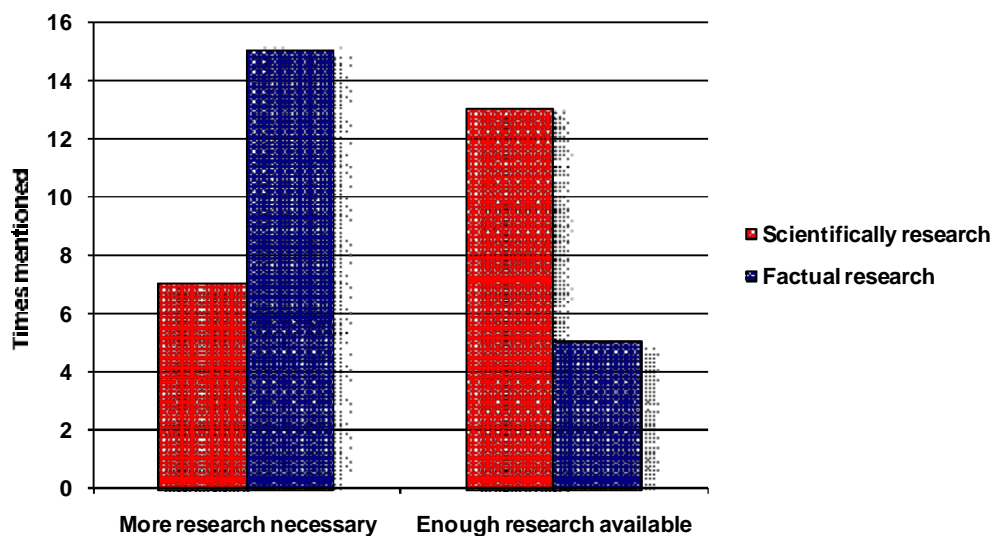
There is not a definition on factual research and scientifically research. Therefore in every interview an own definition of factual and scientifically research is given:

'Factual research is research on data, facts, and accomplishments of online revenue models of organizations in the internet and media sector.'

'Scientifically research consists of the collection of data through observation and experimentation, and the formulation and testing of hypotheses.'

The results of the questions can be found in figure 14. It is clear that the organizations who are interviewed are more interested in factual research. When clarifying their answers, it is often said that the organizations want to know what the average turnover of certain online revenue models is. Respondents say that there is too much uncertainty regarding these facts. Next to this, most organizations find that there is enough scientifically research available on online revenue models. Some organizations also say that scientifically research does not have added value for the organization. This is also due to the fact that not a lot of organizations are using scientifically articles in order to gather information about online revenue models.

FIGURE 14: Which research do organizations find more necessary for the future (N=20)



4.4 Examining relationships, differences and trends

In this paragraph the relationship between the literature study and the results from the interviews are discussed. In the literature study certain results are found. These results are compared with the interview results. The outcomes could match each other or maybe there are a lot of differences. After this, the trends regarding the outcomes are made clear.

4.4.1 Online revenue models

According to the literature the 5 online revenue models of Chaffey (2002) are the most used in e-business. They are the most used online revenue models in order to produce turnover. These online revenue models are:

1. Direct product sales of product or service
2. Subscription or rental of service
3. Commission-based sales (affiliate, auction, marketplace)
4. Advertising (banner ads, sponsorship)
5. Sales of syndicated content or services (for media owner)

In the interviews there is a great difference in the use and knowledge of these online revenue models. Advertising is far more known and used by organizations in the internet and media sector. If these organizations think about online revenue, the first and most association is with advertising. Next to this, organizations think about direct sales when they are confronted with

online revenue models although this is less than with advertising. Commission-based sales, syndicated content, and subscriptions are less familiar with the organizations who are interviewed. Although the amount of interviews conducted is only 20 and it is not a quantitative research, it can be concluded out of the in-depth conversations that these online revenue models are used less than advertising and direct sales.

When the respondents are asked about the most promising online revenue models, they go more in detail. The respondents do not very often answer with a specific online revenue model out of the literature when is asked to the most promising online revenue model. When they answer one of these online revenue models, then direct sales is most frequently mentioned as promising. Next to this, also syndicated content and advertising is sometimes mentioned as most promising.

In general, these specific online revenue models are not mentioned as most promising for the future. The most promising online revenue models according to the organizations are certain types of one of the 5 online revenue models mentioned in the literature. For example: Respondents do not mention direct sales as most promising, but they mention online travel agencies as most promising. Especially certain types of advertising are found promising; lead generation and target advertising are mentioned often when talked about promising online revenue models. The combination of customer profiles and content is interesting for organizations.

4.4.2 Critical success factors

According to the literature there are also a lot of success factors for optimal working with e-business. These success factors will also be critical for online revenue models. Sung (2004) made a clear overview of all the success factors mentioned by different authors. He came up with a total of 16 success factors. For this research they are minimized to a total of 12 success factors due to the overlap in them or the relevance of some success factors. In this paragraph the results of the literature study and the interviews are compared and it is clear if organizations in the media and internet sector find the success factors of online revenue models as important as they are in the past literature. Also a categorization of importance is given to the critical success factors.

If the results of the literature study on critical success factors and the results from the interviews are compared to each other, it can be concluded that the outcomes are in a general sense the same. A few success factors that are important according to the literature are also important according to the respondents that are interviewed. 'Ease of use', 'security of systems', 'privacy', 'stability of systems', and 'electronic commerce strategy' are seen by more than 90% of the respondents as important. It must be noticed that there are also differences in the importance of the critical success factors mentioned in the literature. The respondents find certain critical success factors more important than others. Some critical success factors are even more often mentioned 'unimportant' than 'important'. 'Variety of goods / services' and 'plenty of information' are examples of this. 'Low price of goods / services', 'low costs', 'evaluation of EC operations', 'technical EC expertise', and 'services' are mentioned more often 'important' than 'unimportant', but also more than one respondent find these critical success factors not that important. The outcomes of the respondents are more distributed for these critical success factors.

Next to the comparison of the critical success factors out of the literature and the opinion of the respondents on these critical success factors, there are also other critical success factors spontaneously mentioned by respondents during the interviews. These quotes can be found in the appendices in table 11. There is a overlap in some of these spontaneously mentioned critical success factors and the critical success factors from the literature. Therefore some critical success factors that are mentioned spontaneously are the same as a critical success factor mentioned by Sung (2004). 'The technical expertise needs to be enough', which is mentioned spontaneously, is comparable to the critical success factor 'technical EC expertise' of the literature. 'Direct and correct delivery' is comparable to the critical success factor 'services'. It is remarkable that there are also a lot of other and different critical success factors mentioned regarding online revenue models. It means that organizations do not have a shared opinion

regarding success factor that are very important and used in every organizations when implementing and using online revenue models. From the results of this research it can only be concluded that 'ease of use' is a critical success factor that is found most important when implementing and using online revenue models.

4.5 Summary

During the literature study it becomes clear that there are a lot of different online revenue models. A lot of authors have done research with respect to this subject. The most used author in the literature is Chaffey (2002); his online revenue models are most quoted and used for further research. In this research the online revenue models of Chaffey (2002) are also used as point of origin. During the data analysis of the outcomes of the in-depth interviews it becomes clear that respondents do not have the same categorization of online revenue models as Chaffey (2002) does. Respondents do think very often about advertising and direct sales when talking about online revenue models, but with commission-based sales, subscriptions, and the sale of syndicated content this is not very often the case. Respondents do have a more detailed picture of online revenue models. Especially in the case of advertising the respondents got more in detail. Different forms of advertising are found promising online revenue models. Examples are lead generation, target advertising, and advertising with the help of customer files

The critical success factors of Sung (2004) that are mentioned in the literature review are also critical success factors that are found important by the respondents during the interviews. It must be mentioned that there is a difference in the importance of the critical success factors. Especially 'ease of use', 'security of systems', 'privacy', 'stability of systems', and 'electronic commerce strategy' are seen as important by respondents. 'Ease of use' is mentioned (very) important by all the respondents that are interviewed.

'Variety of goods / services' and 'plenty of information' are the only critical success factors that are mentioned more often unimportant as important according to the respondents. Next to the match in success factors, there are also a lot of critical success factors mentioned that are not mentioned by Sung (2004) in the literature. Therefore it can be concluded that the organizations do not have a clear and consistent shared opinion of the critical success factors that are important for the implementation and use of online revenue models in the internet and media sector.

CHAPTER 5: CONCLUSION, RECOMMENDATIONS, AND FUTURE RESEARCH

5.1 Conclusion

The outcome of the literature study and the interviews are analyzed and compared to each other, and in this chapter the problem definition is answered. The problem definition of this research is:

“What are the most promising innovative online revenue models, their critical success factors, and how are they being used by organizations in the internet and media sector?”

To get a clear and clarified answer to this problem definition, sub questions are made. The problem definition is answered through these sub questions:

1. *What are the most promising (innovative) online revenue models?*

According to the literature there are a lot of different online revenue models. The categorization of Chaffey (2002) is most often used in the literature. He categorized the following 5 online revenue models:

- Direct product sales of product or service
- Subscription or rental of service
- Commission-based sales (affiliate, auction, marketplace)
- Advertising (banner ads, sponsorship)
- Sales of syndicated content or services (for media owner)

20 in depth interviews are conducted with senior managers of organizations in the internet and media sector in the Dutch market. This is done in order to test if the above mentioned online revenue models are also known and often used by organizations in the internet and media sector nowadays. The results are various. Out of the interviews it is measured that advertising is the best known and most used online revenue model. All the interviewed respondents see advertising as an online revenue model and almost all the organizations use advertising as an online revenue model. Nevertheless it cannot be concluded that advertising is a certainty for making profit when implementing and using it. Every organization is different and boundary conditions need to be all right in order to work successful with advertising. It can be concluded, that advertising is a promising online revenue model, and when using it in the right way, it can be very profitable. Out of the interviews it can be concluded that direct sales is the secondly best known and often used online revenue model. It is not always the core business of an organization, but it is also very often a side business in order to make more profit. Web shops are very popular in this context, but more about this kind of online revenue model in the following paragraphs. Commission-based sales, subscriptions, and syndicated content are less known online revenue models although they are more often used than known (when asked spontaneously). It can be concluded that the association that organizations have with online revenue models is more with advertising and direct sales, and less with commission-based sales, subscriptions, and syndicated content.

When asking questions about the *most promising* innovative online revenue models, the 5 most used online revenue models from the literature are not very often mentioned straightforward. Only direct sales, advertising, and syndicated content are mentioned respectively 6, 3, and 4 times out of 20 respondents. This is relatively low and therefore it should be concluded that none of the online revenue models from Chaffey (2002) are very promising for the future according to the organizations in the internet and media sector. This conclusion is not correct because the answer to this is more complicated. Respondents do not mention the 5 online revenue models straightforward as very promising, but they mention a lot of specific types of online revenue models as very promising. Web shops are often mentioned as most promising online revenue models. Organizations think that the current shops are going to be replaced in the future by web

shops. Nowadays a lot of the 'baby boomers' do not have enough knowledge of the internet to order products or services. When the generation after this reaches the age of the baby boomers, they will have the knowledge of internet. This is why organizations think that web shops will become very important in the future. With regard to advertising, there are also specific types mentioned that the respondents find very promising. Examples of this are lead generation and target advertising. Organizations want more consistency and certainty in the revenues of online models and this can be achieved by advertising with a more specific goal. Because a lot of organizations do have large customer profiles like insurance organizations, social networks, and publishers, the idea originates that this will become important in the future. During the interviews it becomes clear that a lot of organizations are busy creating prospects with a combination of content and customer profiles. The respondents think that it is very promising to advertise if the hobbies (for sports clubs) or the illness (for hospitals and insurance organizations) of the target group are clear. A lot of organizations do have these 'interesting' customer profiles in their archives, but they are not yet making the most out of them. When using these online revenue models, advertising can be done in a more effective way, and this will be more profitable.

2. What are the critical success factors for implementing these online revenue models?

Sung (2004) studied all the literature on success factors for e-business. He summarized them into 16 critical success factors that are often important for implementing and using online revenue models. For this research they are reduced to 12 success factors because of the overlap and irrelevancy of some critical success factors. By conducting the interviews it becomes clear that organizations in the internet and media sector nowadays have a differentiated way of thinking about the importance of the critical success factors mentioned by Sung (2004). Some critical success factors are found very important by every respondent and other success factors are less important according to the respondents.

'Ease of use' is according to the respondents the most important critical success factor, none of the respondents find this factor not important. Therefore it can be concluded that organizations need to take 'ease of use' into account when working with online revenue models. Next to this, 'security of systems', 'privacy', 'stability of systems', and 'low price of goods / services' are critical success factors that are important according to the literature and according to the organizations that are interviewed. On the critical success factors 'low costs', 'evaluation of EC operations', 'technical EC expertise', and 'services' (from more important to less important) the opinions are more distributed. Some respondents find it very important, and other respondents think that it is unimportant. On 'plenty of information' and 'variety of goods' the respondents mention more often that it is not (very) important for the implementation and use of online revenue models. It can be concluded that there is a clear difference of opinion on the critical success factors that Sung (2004) mentions in his study. Therefore organizations in the internet and media sector should also make a distinction in the critical success factors when they want to implement and use online revenue models. Nevertheless it is not evident that every organization and every online revenue model needs to take the most important critical success factors of this research into account. Every situation and every model needs a different and thorough investigation on which critical success factors do have the most influence on the success of the online revenue model.

Respondents also mention other critical success factors than Sung (2004) mentions in the literature. Remarkable is that a lot of different success factors are mentioned and not one critical success factor is mentioned very often. Interesting success factors that are mentioned are 'openness, share knowledge with competitors', 'dare things, just do it', and 'extremely well measuring is important'. In general it can be concluded that organizations find it important that there is a good understanding and ability of the content, and on the other hand their needs to be an acceptance and adaptation of customers for online revenue models.

When categorizing the 12 critical success factors of Sung (2004) according to the four pillars of the business model of Osterwalder (2001), a better overview is created of the critical success

factors. Osterwalder (2001) developed 4 pillars which are principal issues that a business model must address. They are important for the success of a business model:

- § Customer relationship
- § Infrastructure management
- § Product innovation
- § Financials

If the results from the questions of the interviews on critical success factors are categorized according to Osterwalder (2001), some remarkable outcomes are measured. It is thought that organizations with a lot of financials and a unique product are very good in using and implementing online revenue models. Respondents find these factors important but it is striking that other critical success factors are found more important. More respondents mention a good customer relationship as important. Next to this, managing the infrastructure in a proper way is also mentioned more often than product innovation and financials. This does not mean that product innovation and financials are not important, on the contrary, respondents also think that this business pillar needs to be taken into account and they need to be managed in a proper way.

Every pillar of Osterwalder (2001) exists out of important critical success factors according to the respondents. It must be noticed that there are differences in the times that importance of a pillar is mentioned, but not one pillar is explicitly sticking out when comparing them to each other. 'Customer relationship' and 'infrastructure management' are more often mentioned '(very) important'. Another remarkable outcome is that 'infrastructure management' and 'financials' are not often mentioned 'not (really) important'. Respondents find 'infrastructure management' and 'financials' pillars that consist of critical success factors that need to be present when implementing and using online revenue models. Overall it can be concluded that there are a lot of critical success factors that are relevant for implementing and using online revenue models. Every respondent agrees that 'ease of use' is very important when using and implementing online revenue models, for the remainder of the critical success factors of Sung (2004) the opinions are more distributed, but none of the critical success factors need to be excluded when implementing online revenue models.

3. How are the online revenue models being used by organizations in the internet and media sector?

A lot of questions are asked during the interviews about how organizations use all these different online revenue models. Not a lot of information can be found about this in the literature, therefore a few questions in the in-depth interviews are dedicated to this subject. First of all, the most important source of knowledge on online revenue models are the employees itself. If organizations do not have enough expertise regarding online revenue models, they firstly look at their own employees or they will recruit knowledgeable employees. Other important sources of information on online revenue models are obtained from customers, competitors and consultancy firms. Organizations do not use a lot of scientifically articles or marketing theories in order to gather knowledge. They think that they are in abundance present and that the purpose of this is insignificant.

Only in 50% of the cases organizations dedicate a department for the development and use of online revenue models. If this is done, the organizations concentrate their knowledge in one departments in order to work on the implementation and use of online revenue models. The departments that are used for the development and use of online revenue models are the 'online marketing department', the 'sales department', or the 'online media department'. Also a lot of organizations do not develop and use online revenue models as their core business. It is still often seen as a side issue and this is a major reason why online revenue models are not very profitable at the moment. The development, implementation, and use of online revenue models need to become more important in the future in order to benefit more.

Only 25% of the organizations do the technical and the organizational implementation of the online revenue models by themselves. It means that 75% of the organizations recruit and need help from an external party when they want to change current online revenue models or implement new ones. The technical expertise and the organizational skills are lacking in a lot of organizations when talking about online revenue models. This also has to do with the importance of the models in the organizations. As long as they are seen as a side issue, not a lot of money and time will be spent on improving expertise inside organizations. Then the dependence on external parties will stay and presumably more unnecessary money needs to be spent.

Organizations use online revenue models due to the fact that it could generate a lot of revenue. Until now this goal is not always achieved. A lot of organizations notice the opportunities regarding online revenue models but are not making the most of it. Indirect there are also other reasons for using online revenue models. The most important are; 'competitors are doing it', 'reactions of customers can be measured better than with offline media', and 'internet is a flexible medium with little time to market'. It can be concluded from these reasons that organizations find online revenue models better measurable and more easy to implement than traditional revenue models. Organizations also see that the market is also changing and that they need to change in order to meet the needs of customers. The interviewed organizations find two times more reasons important for *not* using online revenue models than for using online revenue models. 'It is not (enough) profitable', 'it takes too much time to implement and maintain', 'it is not promising enough', and 'the knowledge of employees is not adequate' are the most often mentioned reasons for not using online revenue models. From these reasons it can be concluded that there are a lot of internal problems when implementing and using online revenue models. It is even thought that because of these internal problems organizations are thinking that online revenue models are not that promising anymore. But this statement must be further researched.

Although a lot of organizations do not have a separate department dedicated for the work on online revenue models and a lot of organizations do not have the knowledge to implement them self, more than 75% do have separate financial goals for their online revenue models. This outcome suggests that organizations are spending attention on online revenue models, but in combination with the other outcomes it can be concluded that the organizations do have trouble finding the right method for implementing and using online revenue models. The bulk of these financial goals are frequently or always achieved in the year 2007. It are often organizational reasons that are responsible for (not) achieving these goals and this is also measured in the outcomes of other questions in the interviews. This means that the organizations are aware of the fact that they are to a large extent responsible for the results of their online revenue models. Overall it can be concluded that organizations in the internet and media sector are aware of the fact that online revenue models are going to take an important position in their organization, but there is need for change in the way these organizations think and apply online revenue models.

5.2 Recommendations

A few recommendations can be given regarding the research that is done. Now that the data of the research is analyzed, and conclusions are drawn, recommendations for organizations who want to make the most of online revenue models can be given. It is clear that from the 5 online revenue models of Chaffey (2002), advertising is the best known and most used online revenue model. When implementing and using advertising, a combination of customer profiles and content is very promising. Forms of advertising that respondents find very promising and that they think should be used more often are target advertising and lead advertising. This is very promising because organizations want more certainty in the revenues, and by advertising more specific, this can be achieved.

There are a lot of critical success factors that are important when implementing and using online revenue models (Sung, 2004). Nevertheless the most important critical success factor is 'ease of use'. This is the only critical success factor that every organization finds important in this research. When implementing online revenue models, organizations have to take this factor always into account. Be sure to look as an organization to all the other success factors mentioned

by Sung (2004), in a lot of cases they are very relevant for the success of the online revenue model. Not one critical success factor is important for the succession of online revenue models, but a combination of more than one critical success factors are relevant. During the in-depth interviews it becomes clear that organizations do not have a clear and consistent view of the critical success factors that are necessary for implementing and using online revenue models in the right way. Therefore it is always very important to take the list of Sung (2004) into account, because the right combination and use of these online revenue models could make the difference in the success of an online revenue model.

Online revenue models remain a subject which is relatively new for organizations and a lot of them are not up-to-date or professional enough to make the most of these online revenue models. The technical expertise needs to be capable and the right persons need to be attracted by the organizations before the expectations are too high. Online revenue models are not processes that can be implemented and maintained next to other core businesses. They deserve the full attention of employees and organizations in order to make the most of them and to benefit to the full potential. It is therefore also not normal to formulate high financial goals, they need to be achievable and the organization itself has the most influence on this.

5.3 Discussion & future research

At the end of every interview the respondents are asked if they prefer more scientifically research or factual research. The majority of the respondents in this research find further scientifically research on online revenue models in general not necessary. They prefer factual research, data and results regarding online revenue models are more interesting for organizations in the internet and media sector. Of course further scientifically research is necessary in order to develop and improve online revenue models and their critical success factors, therefore a few suggestions about future research are given that could be taken into account.

This study provides clear support for an assertion that organizations in the internet and media sector need to choose the best fitting online revenue model for their organization in order to take the most out of it. In this research, advertising is seen as the best known and most used online revenue model. This does not mean that every organization needs to implement advertising as their core business. Organizations think that advertising is the most promising for the future, but other online revenue models could also be promising for certain organizations. The technical and organizational expertise is often not good enough to implement and maintain the right online revenue model. Hiring external parties is sometimes also relevant in order to innovate and be quick to the market. In some cases it could also be cost saving. Next to this, critical success factors are in abundance and a combination of them could be relevant for online revenue models. Therefore they should be evaluated thorough by every organization. Although in this research 'ease of use' is seen as the most critical success factor, it could be of less importance in some cases in comparison to other critical success factors.

For this research a literature study is done and 20 in-depth interviews are conducted. Although 20 in-depth interviews are a reliable amount for a qualitative research, it is not enough to do a reliable percentage comparison. A percentage comparison could be very interesting for future research and this can only be done with a qualitative study. Therefore a quantitative study is very interesting for future research. For this research 20 respondents of organizations in the internet and media sector are interviewed. In every organization, one senior manager is interviewed. Senior managers from different departments are interviewed. For future research, it is recommended to interview more than one person inside one organization. This will raise reliability and validity regarding the conclusions and recommendations of a research.

Future research can be done on the categorization of online revenue models. Timmers (1998) and Chaffey (2002) made a clear categorization of online revenue models but during the in-depth interviews it becomes clear that respondents mention online revenue models more in detail. The respondents name specific types of online revenue models instead of the categorization of

Chaffey (2002). Concluding it can be said that more research is necessary in order to get a more specific and clearer categorization of online revenue models.

The most significant trend in this research is the rise of certain types of advertising like target advertising and advertising with content and customer profiles. The consequences of this rapid change of innovative web-based technologies lead to a reconfiguration of organizations in the internet and media sector. Understanding these changes is crucial for creating a reliable, profitable, and working online revenue model. Further research could be done on the changing environment regarding online revenue models. It could be interesting and maybe even necessary to study the processes inside organizations that need to change if organizations want to benefit the most of online revenue models. Reach of an internet website is also said to be an important factor for the success of online revenue models, especially with advertising. How does an organization create reach and attract potential customers to a website? Reach could be depending on a lot of other factors. Examples of this could be 'easy accessibility of the website', 'low price of goods / services', and 'plenty of information'. Future research could find an answer to all the factors that need to be present in order to achieve a lot of reach.

In this research the four pillars of the business model of Osterwalder (2001) are used. 12 Critical success factors are divided in these four pillars. A note must be made that there is a difference in the amount of factors in every pillar. This has an influence on the results of the questions that are dedicated to this subject. In future research this could be taken into account by equally dividing critical success factors (or other factors) inside the four pillars of Osterwalder (2001).

Out of the results of this study it can be said that organizations in the internet and media sector use in most of the cases an external party for implementing and maintaining online revenue models. A lot of these organizations do not have the technical and organizational expertise at this moment by themselves and they need to hire external parties in order to do this. Not enough research is done on the fact if hiring an external party for implementing and using online revenue models or doing it yourself is more efficient and / or profitable. Future research could investigate if the implementation and use of online revenue models must be done internal or external.

This study also did research on financial goals of organizations, and outcomes verified that the majority of the organizations achieved their financial goals regarding online revenue models. Research is not done on the fact if these financial goals are formulated too easy to accomplish or if the organizations are working really efficient and good. Further research could find an answer to this question. Out of 20 organizations, also 8 organizations do not or rarely accomplish their financial goals. These organizations need to adjust their financial goals or they need to work more efficiently in order to reach these goals. Research can be done on how organizations need to formulate their financial goals. A lot of different factors could be influencing this. Organizations must organize themselves in such a way that financial goals can always be accomplished.

In this study research is done on the use of online revenue models by organizations in the internet and media sector, but this is done quite superficial. More profundity regarding this subject could be researched in future studies. Suggestions are future studies regarding financial goals of online revenue models and technical expertise inside the organizations.

5.4 Reflection

This research has been a valuable and informative period of 6 months. The period has been a variation of ups and downs, although the majority are the ups. First of all the integration at Atos Consulting has been enlightening and innovative. The transforming from being a student and then changing to the professional environment of a large organization has been interesting and successful. It has also been successful because of the guidance of several supervisors, at one hand on the University, and on the other of the organization.

The start of a research is always very difficult, as is discovered during this research. The relevancy of the subject and the formulation of the problem definition and sub-questions is very

difficult but also very important for the progress of the research. The operationalisation of the concepts and the literature study has been new and time-consuming during this research. In order to do this most efficiently, the right distribution of autonomy and interaction with supervisors has been very important.

The readability and accessibility of the report has been another challenge for this research. This is because of the difference in expertise of the researcher and the readers of this report. It is difficult to do this in the right way because the researcher adopt certain concepts automatically while sometimes it is not that normal.

The time schedule of this research has been difficult because the interviews and the literature study were sometimes crossing each other. By making this work, sometimes there has been the need to accelerate a few days and sometimes there has been a period of working on a low pace. Overall it can be said that in-depth knowledge is gathered about the internet and media sector, the organizations that operate in this sector, and about online revenue models. Barriers are overcome and a clearer image is created of the online revenue models in the internet and media sector. Important is also that a step has been made possible to further research on online revenue models. Pride and relief are the right words for these achievements.

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VIII. APPENDICES

Company profile Atos Origin

Atos Origin is a leading international IT services provider. They provide integrated design, build and operate solutions to large multi-national clients in carefully targeted industry sectors. Their business approach is based on establishing long-term partnerships that encourage success through mutual benefit.

Atos Origin provides all the 'design, build, and operate' elements of a business solution. More than 60% of the revenue base is recurring, deriving from multi-year outsourcing and application maintenance contracts, and Atos delivers this within a global framework of three major Service Lines.

Atos Consulting

Atos Consulting offers advice and a pragmatic, realistic approach to addressing client needs. It provides "end-to-end" services and solutions, ranging from supporting strategy development through to enterprise solutions and technology decisions. This enables their clients to become increasingly effective and to generate more value through an innovative approach to business processes, well-integrated supporting technologies and strategic investments in people.

The consultants of Atos have an in-depth understanding of their clients and their businesses and a proven track record of delivering solutions in many industry sectors. By focusing on these specific industries, Atos Consulting ensures that all aspects of a client organization – people, processes, and technology – are fully aligned with business strategy.

Systems Integration

At Atos Origin, Systems Integration is not just about integrating new solutions, but includes getting the most out of legacy applications to prolong returns from existing IT investment. Successfully combining new solutions with established ones can transform the complete enterprise architecture into a single, seamless business system. Their extensive experience in integrating people, processes and technologies enables them to design, build and operate practical and robust solutions.

The specialists of Atos work with their clients to develop, implement, and maintain systems that will support and enhance their overall business strategy. They work with a carefully selected group of strategic partners and vendors, such as SAP, Oracle and Siebel, to develop and implement end-to-end offerings and standardized packaged solutions in complex environments using best of breed technologies. They also perform projects using customized software, open source, and legacy applications, including various languages and design methods.

Managed Operations

The highly successful outsourcing operations manage core IT infrastructures for clients, including datacenters, desktop support, server farms and network communication systems. They provide 7x24 "follow the sun" infrastructure and application support through our global network and the organization has unrivalled experience in major enterprise programs covering complex and multi-site solutions. Our Continuous Service Delivery Methodology (CSDM) guides their clients through the process of assessment, planning, implementation, transition, and ensures consistent, high quality service delivery worldwide.

Atos also provides Business Process Outsourcing (BPO) and specialist processing services on a global basis and are a key European player in payment and card processing services, CRM and multi-channel contact services through Atos Worldline.

(Source: www.atosconsulting.com)

This research has been done in agreement with Atos Consulting Netherlands, and for the line of business 'Telecom, Utilities & Media'. To clarify this situation, figure 1 shows the organizational structure of Atos Consulting Netherlands.

FIGURE 15: Atos Consulting in the Netherlands, Organizational structure

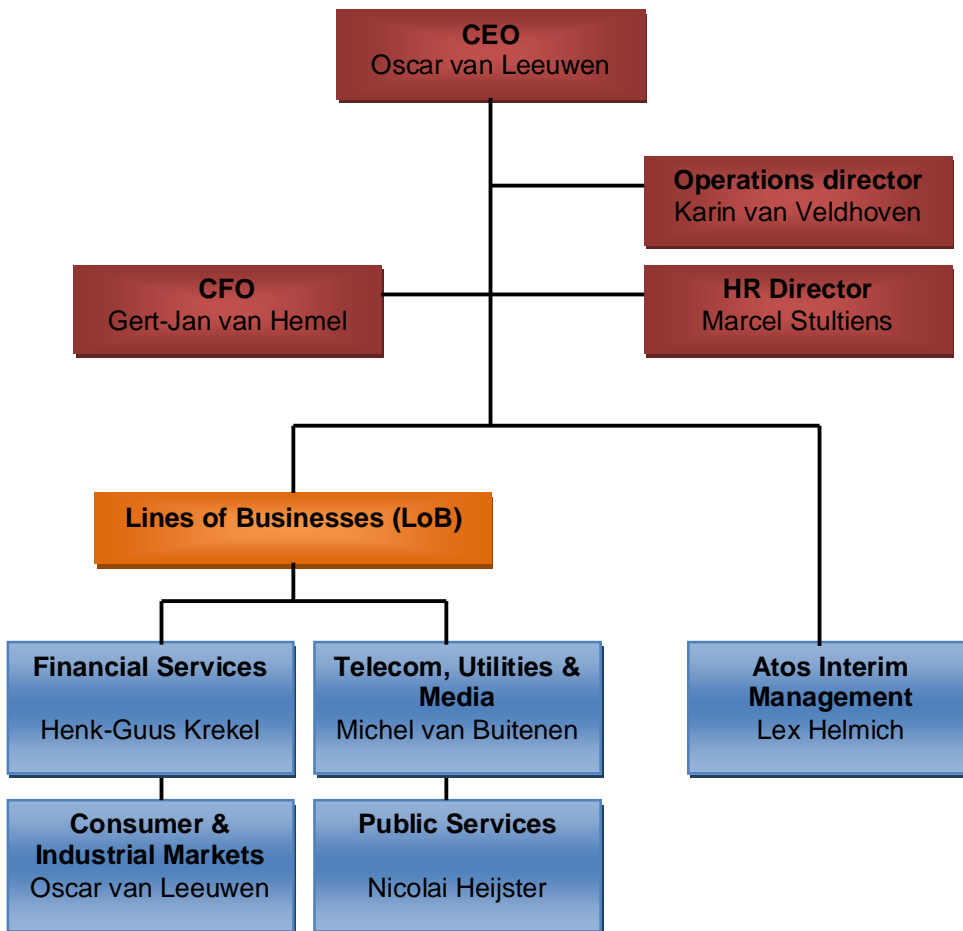
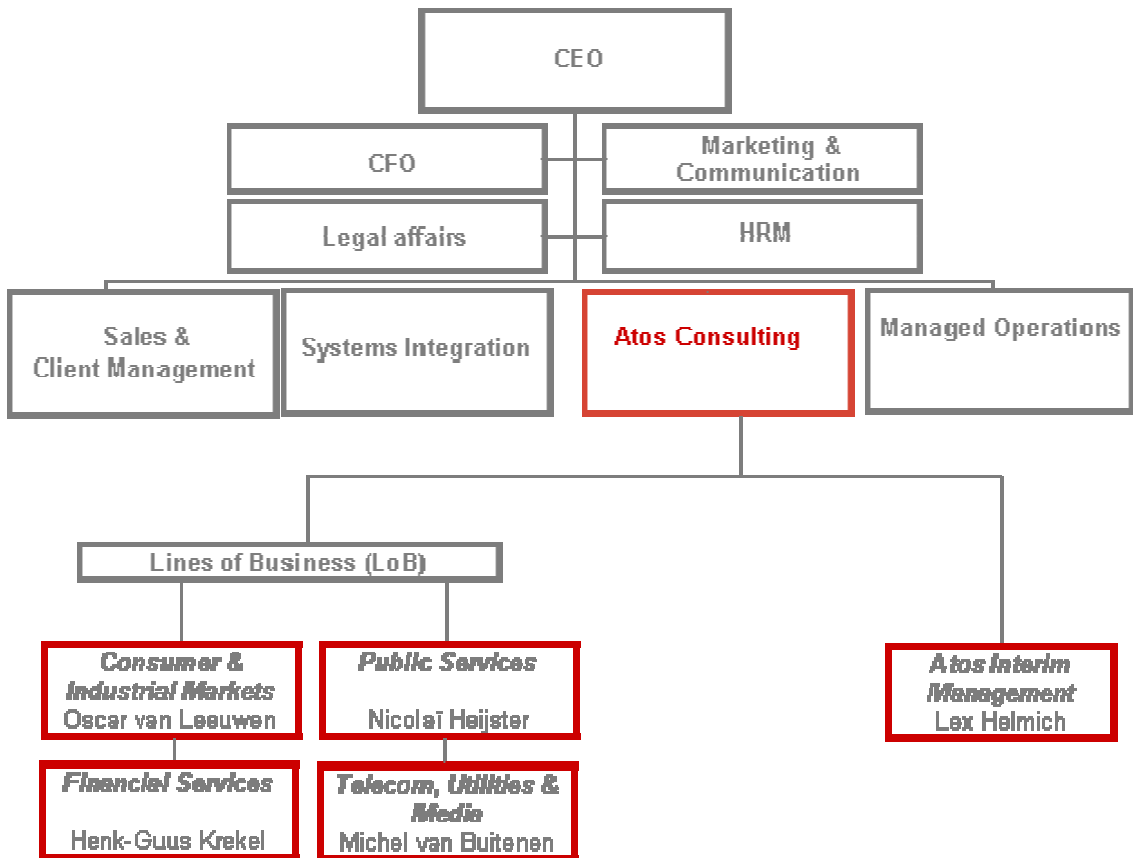


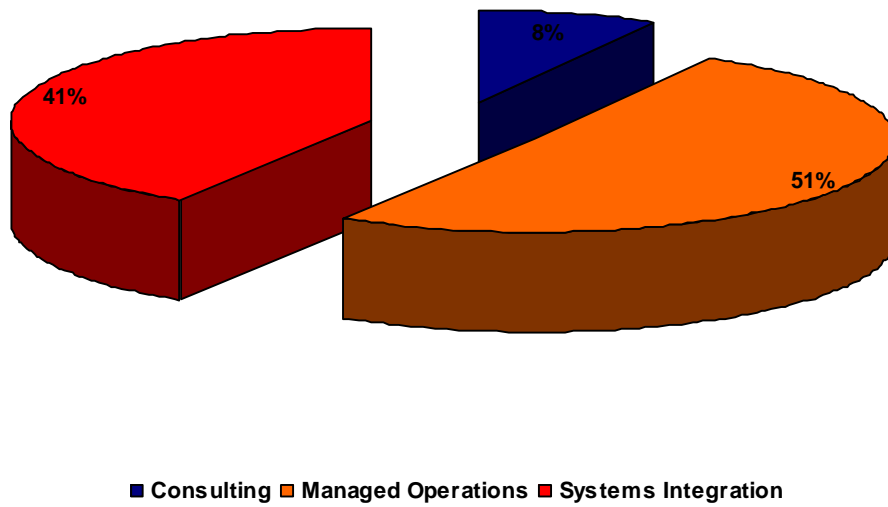
FIGURE 16: Organizational structure of Atos Origin Netherlands



(Source: Atos Origin Nederland B.V.)

FIGURE 17: Information about Atos Origin Nederland B.V. (2007)

- § 5,5 milliard euro turnover
- § 47.000 employees worldwide
- § 9.000 employees in the Netherlands
- § Established in 40 countries



(Source: Atos Origin Nederland B.V.)

Figure 18: The business model of Atos Origin for capturing and creating value within the network

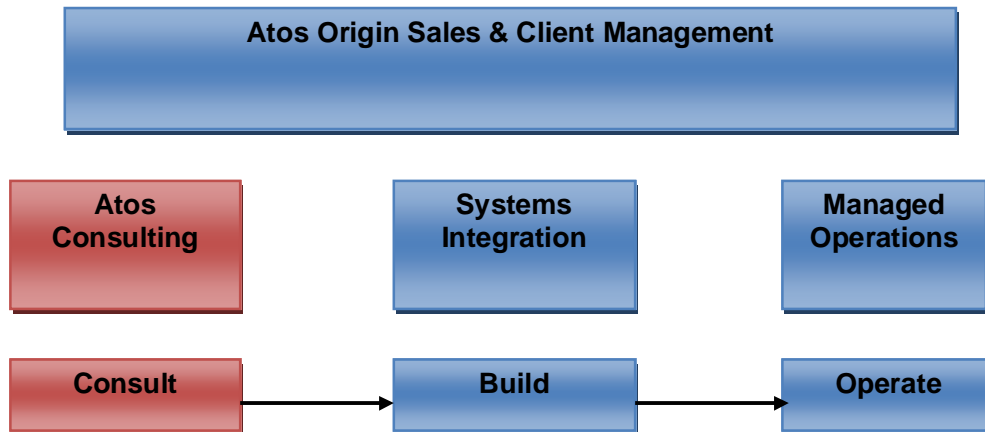


TABLE 8: List of potential organizations and persons who could be interviewed

NUMBER	ORGANIZATION	CONTACT
1	RTL	J. de Jong
2	SBS	A. Kramer
3	Veronica	G. van Nispen
4	Endemol	R. van den Berg
5	Nederlandse Publieke Omroep (NPO)	M. Mokveld
6	KPN TV	P. van Dun
7	Elsevier (Read Business)	D. Saaltink
8	Voetbal International	G-J Schikker
9	Splits	C. Polman
10	Sanoma	S. Verkerk
11	Kluwer	R. van Erk
12	Cebuco	
13	Veronica Publishing	P. Contant
14	Metro	
15	Pers	
16	Telegraaf	N. de Kind
17	Algemeen dagblad	J. Man
18	Wegener dagbladen	P-P. van Bekkum
19	Trouw	W-J. Makkinga
20	NDCVBK	H. Bakker
21	Science	D. van Rossem
22	SPROUT	R. Betlem
23	Audax	R. Opperman
24	Boom	R. Hertogs
25	WPG uitgevers	P. de Jong C. Lenstra
26	Bright tijdschrift	O. kneppers
27	Twentsche Courant Tubantia	G. Bastet
28	Emerce	R. Swagerman
29	Computable	S. Hulsman
30	Springer science & media	
31	Cevae.nl	M. van Limbeek
32	Monsterboard	
33	Nationale vacaturebank	
34	Jobtrack	H. Rimmelzwaan
35	Intermediair	
36	Ondernemer.nl	R. Aykaz
37	Reisradar.nl	H. van de Broek
38	Marktplaats	
39	Google	K. Zandbergen
40	Yahoo	
41	Ilse	
42	Gouden gids	A. Gottlieb
43	Telefoongids	D. Weiler
44	llocal	N. Veendrick
45	Dutchmedia.web-log.nl	F.-J Boon
46	Geenstijl	
47	Jet-Stream	S. van der Ziel
48	Blixem.nl	R. Broekman
49	Wsquared	W. ter Halle
50	Randstad	

Interview protocol; the questions that are asked during every interview

Introduction questions

1. What is your name?
2. Where do you work?
3. In which department do you work?
4. What is your function?
5. Which education did you have?
6. When did you finish your education?
7. How many years of working experience do you have?
8. What is your specialism in this organization?
9. What does the subject 'online revenue models' have to do with your function?

Subject-related questions

10. What do you find more promising for the future, online revenue models or traditional revenue models?
11. Why do you find online revenue models / traditional revenue models the most promising for the future?
12. What kind of online revenue models do you know?
13. What kind of online revenue models do you use?
14. What kind of online revenue models do you find most promising?
15. Why are these online revenue models most promising?
16. Which online revenue models will your organization use in the upcoming 2 years?
17. How does the organization develop her knowledge about online revenue models at the moment?
18. Is there a department selected for working on online revenue models?
19. Are the online revenue models technically and organizationally being implemented by the organization or by an external party?
20. What are the reasons for using online revenue models?
21. What are the reasons for not using online revenue models?
22. What are the critical success factors for implementing and using online revenue models?
23. In what way does your organization have financial goals according to the online revenue models?
24. In what way did the organization succeed in accomplishing these financial goals?
25. Why are the financial goals (not) accomplished?
26. What kind of online calculating methods do you know?
27. What kind of online calculating methods do you use?
28. What kind of online calculating methods do you find promising?
29. Do you think there is more necessity for scientifically research on online revenue models?
30. Do you think there is more necessity for factual research on online revenue models?

TABLE 9: Quotes from respondents; why they find certain revenue model promising (categorized per revenue model)

QUOTES
(ONLINE REVENUE MODELS ARE MOST PROMISING)
<i>The growth is at the moment more in online revenue models</i>
<i>Traditional revenue models are being translated to online revenue models</i>
<i>On the long term money can be made with online revenue models</i>
<i>A lot will happen and a lot is happening at the moment with online revenue models:</i>
<ol style="list-style-type: none"> 1. Video 2. Social networking 3. Collaborative publishing
<i>Online revenue models will grow, but it stays difficult to earn money with it because it can change in a short period of time</i>
<i>Online revenue models are growing hard and they will keep growing</i>
<i>Traditional revenue models are changing. Printings are reducing, the reason that they are still being sold is mainly because of the background information in it. It is becoming a luxury product</i>
(TRADITIONAL REVENUE MODELS ARE MOST PROMISING)
<i>Traditional revenue models will keep existing for a long period, although they are diminishing</i>
<i>Regarding the papers; home to home papers will stay, the subscriptions are more difficult, but this will also stay for the upcoming years</i>
<i>Online content is hard to put into the market and earning a lot of money with it</i>
<i>Print is the most profitable for us (95% turnover is from print)</i>
<i>The upcoming years the traditional revenue models will be present, although they will not grow anymore</i>
<i>Nobody really knows what the most promising is. There is hope that the online revenue models will be as big as traditional revenue models, but at the moment it is not even close</i>
<i>Traditional revenue models will stay for a long period of time (+- 5-10 years)</i>
<i>There is reduce in the development of print, and there are possibilities for online revenue models, but it is a complicated factor. In print you have certain kinds of expenses that publishers arrange. Online can be done by everybody, and therefore it is less exclusive and less extensive</i>
(BOTH REVENUE MODELS ARE PROMISING)
<i>In the upcoming 6 to 8 years the models will complement each other. But because of the internet you see that consumers require rest, and print is being regarded as rest. Print is more background information, and on internet there is more actual information. The point is that print is far from dead because people want to read papers and books to get rest</i>
<i>We keep investing in traditional revenue models because they are at the moment the most profitable. But online does need more attention for sure, because it is growing very hard</i>
<i>For the present the most revenue comes from traditional revenue models, we are seeing a growth in online</i>
<i>At the moment the big money can be earned trough traditional revenue models, although there is a big future for the internet</i>
<i>Internet is going to grow, like multimedia is also growing, marginal note is that the traditional revenue models will not disappear</i>
<i>We are going now to 60% turnover from online, 15% from fairs / tickets, and 25% is from print</i>
<i>Online revenue models and traditional models are strengthen each other, print will not dye</i>
<i>It is a combination of different types online and traditional what is most promising for the future, customers are sensitive for combinations</i>
<i>The budget will stay the same, but more will be spend on online revenue models</i>
<i>I see a future in both revenue models, I think that the traditional media will not disappear in the short or medium-term (+-30 year). It is still an important function and it produces a lot of turnover</i>
<i>Online revenue models are growing the most at the moment, but the most important is nowadays multi media. It has become a combination of both, this produces the most revenue</i>
<i>Online revenue models are growing the most, but you do not need to aim at one kind of revenue model, but a combination. Then you get the ideal construction</i>

TABLE 10: Quotes from respondents; why they find one specific online revenue model promising (categorized per revenue model)

QUOTES
(DIRECT SALES)
<i>The most money is in E-commerce. This is why we keep trying to search for the 'border' between E-commerce and publishers</i>
<i>Direct sales, and then the combination of sales + content</i>
<i>Web shops including travel agencies, DVD shops etc</i>
<i>With direct sales, there will be organizations who cannot do it, therefore it is promising</i>
<i>Web shops are taking over the traditional shops on the street</i>
<i>Direct sales is most promising, because out of the other online revenue models not a lot will be earned in the upcoming 5 years</i>
<i>With direct sales, a lot more is possible. All kinds of products can be sold on the internet, there is no limit on it</i>
(ADVERTISING)
<i>Promising is a mix between advertising and CPC. Next to this it is promising to evaluate operations time after time. You need to satisfy your partners and advertisers. Building a relationship together and finding solutions together</i>
<i>CPC is possible, but then you need good agreements. CPC is possible if both parties show commitment and both parties have things in order. Result is not the only goal, awareness too, but you have to pay for this</i>
<i>Webvertising is promising because it is very easy accessible</i>
<i>Purposeful advertising</i>
<i>CPL is promising because the trend is going more to the transaction model</i>
<i>If there is a fixed price before the sale, then the insecurity is very low</i>
<i>Lead generation is very promising because they produce direct revenue for the advertiser and it is measurable (2x)</i>
<i>Trough tracking and tracing you can develop leads who produce more</i>
<i>It depends on the amount of views of the website. If this high, then banners and buttons are promising</i>
<i>the consumer is used to free content (except with mobile phones), and the development of the internet is getting more personal</i>
<i>Target advertising is promising because then an organization exactly knows for which consumers it goes. And this is possible in the new economy, being 'massive personal'</i>
(SYNDICATED CONTENT)
<i>Syndicated content, mainly because it cannot be copied</i>
<i>content syndication is getting more promising</i>
(OTHER)
<i>The combination of content and customer profiles is interesting for the drill of new markets</i>
<i>Mobile is growing at the moment, this starts with CPM, but it changes to interaction / transaction</i>
<i>Accountability is very important</i>
<i>Multimedia publishing got very important in the last few years</i>
<i>Narrow casting is also promising because it is very easy accessible</i>
<i>The most promising revenue model depends on the kind of organization / website</i>
<i>Workshops and Enterprises are less depending on the tendency of the market</i>
<i>At the moment there is not a 'killer-ad' like Google or YouTube and which is easy to copy</i>
<i>Very promising are the online gambling and the online gaming. How this will look in the future will depend on the European legislation in 2010. In that year a lot will change with regard to this subject</i>
<i>Video streaming is growing very hard at the moment</i>
<i>Branding is something that will stay very important for organizations</i>
<i>Organizations would like to connect their brand to other famous brands. This will be the same in the future</i>

TABLE 11: Critical success factors for using and implementing online revenue models mentioned spontaneous by the respondents

QUOTES
<i>The most important is reach; you need customers that visit your website. This can be done by means of a good product and a good proposition</i>
<i>Acceptation and adaptation by the consumer and in second place by the trade and industry</i>
<i>You need to get consumers to do things not only once, but 10 times</i>
<i>The popularity of the content is very important; it needs to be used a lot. It must not annoy people</i>
<i>Interactivity between the consumers and the organizations</i>
<i>We are a regional organization, so we need to look for our customers in this region</i>
<i>Relevance is very important</i>
<i>Functionality is very important</i>
<i>First of all you need reach</i>
<i>The target group needs to be clear and consistent</i>
<i>The image is very important</i>
<i>Great editorial</i>
<i>Differentiated ability, quality content</i>
<i>Good understanding of the market</i>
<i>Limitations, try to aim at one specific part</i>
<i>Extremely well measuring is important, you need to know what the performance is</i>
<i>Good orientation on the customer</i>
<i>Measurability</i>
<i>Enough relevant views / leads</i>
<i>A certain amount of demand</i>
<i>The technical expertise needs to be enough</i>
<i>Differentiated ability is very important, there is a lot of the same nowadays</i>
<i>To be a good navigator / guide on the internet</i>
<i>You need to show some kind of guts, and when you have demand, then ask a good price for it</i>
<i>Transparency of the market</i>
<i>Direct and correct delivery</i>
<i>Originality and transportability</i>
<i>Dare things, just do it</i>
<i>Openness, share knowledge with competitors</i>
<i>Use Young people in your organizations, they have got more knowledge of online</i>
<i>Easy accessibility</i>

TABLE 12: Reasons mentioned spontaneously by respondents on why they use online revenue models

QUOTES
<i>Intuitive is online close to print, because we offer from both information and advertising, so the models are also deducted from each other</i>
<i>Online is necessary our else the competitor will do it</i>
<i>We want to have a high quality in our reach, and we want to combine this with as much canals as possible</i>
<i>Because the market is shrinking</i>
<i>Print shifts towards online</i>
<i>Advertising is shifting from branding to transaction, this is why we are also trying other methods like television and mobile phones to earn money</i>
<i>It fits our structure of the website</i>
<i>We are a media organization, so it is our core business</i>
<i>There is a possibility for new revenues</i>
<i>We need to come along with the developments</i>
<i>Strategically considering we need to work on the internet</i>
<i>We believe that there is a big market for us in video, this is why we are doing it</i>
<i>Because there is a market for us</i>
<i>Because we are commercial</i>
<i>Now and then customers come up with something</i>
<i>It depends on the goal of the advertiser, this is different every time</i>
<i>We want to be innovative in the market</i>
<i>It fits with our role in the society</i>
<i>Traditional canals are diminishing</i>
<i>The relationship with the customer was getting less</i>
<i>The customer is going online</i>
<i>Generating use and keeping use</i>
<i>We want to go together with the customer, who is also going online. So it is necessary in order to stay competitive</i>
<i>It is obvious</i>
<i>It is the ideal growing strategy, make yourself needless, and drill new markets, by doing this you are always in front of the market and your competitors</i>

TABLE 13: Reasons mentioned spontaneously by respondents on why they do not use online revenue models

QUOTES
<i>We do not want ringtones, sex, or gambling because we have a special interest Group</i>
<i>Certain online revenue models are collapsing with our believing</i>
<i>We are thinking too much in chances, and not enough in threats</i>
<i>We are thinking too much in print</i>
<i>We are not very busy with e-commerce because we are a Publisher</i>
<i>There is no demand for it</i>
<i>It is too small-scale</i>
<i>For our organization it is very important to be independent. This is being considered a lot before an online implementation</i>
<i>It would give annoyances with the consumers</i>
<i>Certain online revenue models are simply not working</i>
<i>We are already using everything, so we do not have a reasons for not doing it</i>
<i>If we are damage our customers with it we will not use it</i>
<i>If you damage your own conditions</i>
<i>We do not want adult content</i>
<i>The integrity of the brand and the organization needs to be intact</i>
<i>Some online revenue models do not fit our organization</i>
<i>It is too risky</i>
<i>It is too new, The customers are not yet ready for it</i>
<i>In the past reporters thought that it was cannibalism of the news, and nowadays it is less, but it is still thought of</i>
<i>We have limitations because of government legislation</i>
<i>Our goal is to have reach, so we do not want to grow very big in a web shop for instance, reach is the most important</i>

TABLE 14: Quotes of the respondents regarding financial goals

QUOTES
<i>We have goals like; in the upcoming year 50% of the turnover needs to be from online revenue models. The goals are not separated for every online revenue model. This is because the market and the online revenue models are subject to change at the moment</i>
<i>We have got qualitative and quantitative goals regarding online revenue models</i>
<i>The financial goals are a certain percentage of the total turnover</i>
<i>We have targets and goals relating to growth</i>
<i>In 2009 we have the goal to get 40% of the turnover from other revenue models than 'print'</i>
<i>We have hard targets for the online revenue models</i>
<i>We have goals specific for online revenue models; of every online revenue model we want to get a certain reach</i>
<i>We do not have definite turnover goals regarding online revenue models, but we do have the goal that we want to have all the banner positions occupied</i>
<i>We have the goal to get well known and trusted organizations / names as our customers</i>
<i>We have clear growth goals regarding online revenue models. They are higher than the goals regarding print</i>
<i>In 2009 we want to get 10% of our turnover from online revenue models</i>
<i>We do have financial goals. They are being documented according European level</i>
<i>We have turnover goals and reach goals, they are dependent on each other</i>
<i>We have different growth goals: multimedia we want to grow (online / events), we want to keep the turnover of traditional media, and we want to invest in young entrepreneurs</i>
<i>We have got substantial financial goals for the upcoming 5 years regarding online revenue models</i>
<i>We are making every year a (prognosis) budget in order to see what is achievable, next to this we look for activities that we need to use in order to reach this</i>

Summaries of articles on online revenue models, business models and online advertising and why they could be applied for this research:

§ ***Preparing for the new economy: Advertising strategies and change in destination marketing organizations, Gretzel et al, 2000***

The information technology is a reason for the difficulty for most destination marketing organizations to keep pace with the evolution of new technologies, the emergence of innovative advertising strategies, the changes in the consumer market, and the growing competition due to increasing globalization. It is concluded that the change occurring in the new economy involves a rethinking of who partners and competitors are and how networks with other organizations can increase organizational capacity to learn. Thus, it is argued that success of destination marketing organizations in the new economy is more about change in the approach than technology itself.

Why use this article?

This article is useful in order to get a better view at the changing economy and the urge for organizations to work with online content. It is also useful to find ways how organizations can do this.

§ ***The power of business models, Shafer et al, 2005***

Business models can serve a positive and powerful role in corporate management, but there are a lot of definitions. To help managers better understand business models, this paper reviews the extant literature and identifies and classifies the components of business models cited therein.

Why use this article?

Business models are very important for organizations to survive and work in a structured way, it is necessary to have a good, clear and consistent definition of it. Because the research is done on online revenue models, there can be made a good comparison of business models with online revenue models, a sort of benchmarking in order to get a better view of online revenue models.

§ ***Business types, E-strategies, and performance, Lai & Wong, 2005***

Of the multitude of dot-coms in existence in the 1990s, only a fraction survived the crash of the e-commerce market in the summer of 2000. These organizations now rediscover the principles that governed business prior to the EC era. Dot-coms must be rebuilt and transformed to face the new economy; not only must they devise innovative e-strategies, but they must also restructure around new business models. It is a case study of 119 organizations of different business types, including B2B, B2C, EC and non-EC. There are also 4 different types of e-strategies to revamp the performance of organizations

Why use this article?

It is proven that organizations, who depend on their internet revenues, do not always handle the right strategies and therefore get themselves in awkward positions. Therefore it is useful to look at these 4 strategies and experiences of these organizations and to see if the target market of this research can use the same strategies / can use 1 'best fit' strategy. Or maybe none of these strategies can be applied to this target market.

§ ***The effects of online advertising, Mccoy et al, 2007***

Online advertising techniques such as banners, pop-ups, and pop-unders are quite salient to Internet users. Some studies have reported that consumers despise these annoyances and even feel violated and molested by their presence. In traditional media, intrusiveness has been recognized as a leading cause of advertising annoyance. Television commercials have long been considered unwanted yet omnipresent. Although Rust and Varki predicted that advertisement in new media would be less intrusive than in traditional media, Li et al. report that online consumers

are goal-oriented and judge online advertisements even more harshly than those in other media. Further, they found that the negative attitudes online consumers develop ultimately contribute to decisions not return to the site.

Why use this article?

One part of this research on online revenue models is about online advertising, so it is important to look for one article where research is done on the effect of online advertising in relation to consumers. This article summarizes it exactly.

§ **Western European newspapers and their online revenue models, Bleyen, Valérie-Anne, Van Hove, Leo, 2007**

This paper analyses the websites of 82 national daily newspapers in eight Western European countries, in order to determine their online revenue models. Overall, 80.5 per cent of our newspapers try to monetize (part of) their online content in direct ways. In doing so, the bulk of the paying sites rely on 'traditional' online subscriptions rather than unbundled access options, although 43.9 per cent of all sites offer both, and in this way target regular as well as occasional readers. However, the low cut-off points between the online subscriptions and pay-per-view seem to indicate that our newspapers have embraced pay-per-view only half-heartedly. We also find that newspapers that adopt 'mixed bundling' have a higher fear of channel spill-over between the online and print subscription. The same is true for smaller newspapers. An important finding is also that for all the strategic decisions that we analyze, there are dramatic inter-country differences. This suggests that local market circumstances – such as the relative importance of advertising revenues, Internet penetration, and even mimicking behavior – play a major role.

Why use this article?

This article has a lot of parallels as the research and therefore it is a good manual that can be used for this research

§ **Migrating to internet-based e-commerce: Factors affecting e-commerce adoption and migration at the firm level, Hong & Zhu, 2005**

Web technology has enabled e-commerce. This article is on how firms can better position themselves when adopting e-commerce for revenue generation. Drawing upon technology diffusion theory, they developed a conceptual model for assessing e-commerce adoption and migration, incorporating six factors unique to e-commerce. A series of propositions were then developed. Survey data of 1036 firms in a broad reach of industries were collected and used to test the model. It demonstrated that technology integration, web functionalities, web spending, and partner usage were significant adoption predictors. The model showed that these variables could successfully differentiate non-adopters from adopters. Further, the migration model demonstrated that web functionalities, web spending, and integration of externally oriented inter-organizational systems tend to be the most influential drivers in firms' migration toward e-commerce, while firm size, partner usage, electronic data interchange (EDI) usage, and perceived obstacles were found to negatively affect ecommerce migration. This suggests that large firms, as well as those that have been relying on outsourcing or EDI, tended to be slow to migrate to the internet platform.

Why use this article?

It is good to look at drivers for e-commerce adoption. Because then a look can be taken at different organizations and look at what drivers they have, so it can be seen which organizations will and can adopt the best to e-commerce.

§ ***The Performance of Internet Based Business Models: Evidence from the Banking Industry, DeYoung, 2005***

As the Internet becomes more important for commerce, Internet Web sites are playing a more central role in most organizations' business plans. An especially elegant case has been made for the "Internet-only" business model in the banking industry. Overhead expenses can be reduced by jettisoning physical branch offices. Banks can use the resulting savings to reduce their loan interest rates or increase their deposit interest rates, attracting new customers without sacrificing earnings. The web-based distribution focus allows banks to enter new geographic markets without the costs of acquiring existing banks or starting up new branches, further increasing growth potential. As the Internet becomes more important for commerce, Internet Web sites become a more integral part of organizations' business plans. One potential source of value in Internet-based business models comes from automation and increased scale: because automated processes typically require large fixed investments but reduce variable costs, e-commerce applications may substantially reduce per-unit costs or increase the optimal size of the firm. Another potential source of value in Internet-based business models comes from learning: because e-commerce applications are often (if not typically) introduced by startup firms, simply accumulating experience with a new business model can generate reductions in per-unit costs and increases in per-unit revenues over time.

Why use this article?

This article can be very useful because it can be used as a benchmark. The research is done in the banking industry, but it could also be applied to publishers or internet pure players. Therefore it is necessary to look at this research

§ ***An e-business model ontology for modeling e-business, Osterwalder & Pigneur, 2002***

After explaining why business executives and academics should consider thinking about a rigorous approach to e-business models, we introduce a new e-business Model Ontology. Using the concept of business models can help organizations understand, communicate and share, change, measure, simulate and learn more about the different aspects of e-business in their firm. The generic e-business Model Ontology (a rigorous definition of the e-business issues and their interdependencies in a organization's business model), which we outline in this paper is the foundation for the development of various useful tools for e-business management and IS Requirements Engineering. The e-Business Model Ontology is based on an extensive literature review and describes the logic of a "business system" for creating value in the Internet era. It is composed of 4 main pillars, which are Product Innovation, Infrastructure Management, Customer Relationship and Financial Aspects. These elements are then further decomposed.

Why use this article?

As product life cycles become shorter, competition global and the use of ICT an imperative, managers have to find new ways to maneuver and decide in this complex environment. Managers have to understand the new opportunities offered by ICT, integrate them into their existing business models and share them with other stakeholders. The e-business model ontology we propose in this paper and the tools that build on it are a first step to facilitate management under uncertainty.

§ ***How to describe and improve your business model to compete better, Osterwalder, 2006***

Everybody talks about business models, business model innovation, differentiation and competitive advantage. These are fancy terms which are popular in management and business literature and are high on the agenda of many CEOs. Yet, at the same time, little concrete literature exists on how to manipulate business models in practice. This manual is a first simple

attempt to fill this gap. In a step by step approach we introduce readers to the concept of business models. We particularly aim at helping SMEs describe and improve their business model to better compete.

Why use this article?

In this article it is described, step by step, how an organization can improve his business model to compete better. It is very interesting to look at all the criteria and to apply this to an organization. Maybe these criteria could also work for revenue models and for organizations earning money online.

§ **An ontology for business models, Osterwalder & Pigneur, 2003**

Business models have become more complex with the emergence of new and affordable information and communication technologies (ICTs). Organizations increasingly act in networks and offer complex value proposition through a multitude of distribution channels. For managers it is ever harder to keep track of how their organizations really work and how and where exactly the money is made. In this chapter we will try to tackle the business model issue and construct and outline the sketch of an ontology (rigorous framework) for e-business models based on an extensive literature review. We aim at showing how the fusion of the ideas in business model literature and the ideas of enterprise ontology's creates an appropriate basis for the development of a reach of new management tools in the e-business domain

Why use this article?

An e-business model ontology that highlights the relevant e-business issues and elements that firms have to think of, in order to operate successfully in the internet era is very useful for this research. There is a need for more than one article about (e-)business models because it is very relevant for this research. An ontology is nothing else then a rigorously defined framework that provides a shared and common understanding of a domain that can be communicated between people and heterogeneous and widely spread application systems

§ **E-business model design, classification and measurement, Osterwalder, 2001**

"Business model" is one of the latest buzzwords in the Internet and electronic business world. This paper has the ambition to give this term a more rigorous content. The objective is threefold. The first one is to propose a theoretical e-business model framework for doing business in the Internet era. The second one is to propose a multi-dimensional classification-scheme for e-business Models, as opposed to the actual tendency in academic literature to use two-dimensional classifications. The final objective is to define critical success factors, based on a field study in order to find out and compare the performance indicators used by e-business firms which are competing with similar businesses models.

Why use this paper?

A theoretical e-business model framework for doing business on the internet could be very helpful for this research because an own theoretical framework will be developed. Next to this, critical success factors based on a field study are also very interesting for this research

§ **E-commerce critical success factors: East vs. West, Tae Kyung Sung, 2004**

The three main purposes of this paper are to identify critical success factors (CSFs) for electronic commerce (EC), investigate the explanatory power of these CSFs on firm performance, and compare differences in evaluating CSFs and explaining impact of CSFs on performance among in Korea, Japan, and USA. Through a literature review and interviews with managers in EC firms, a list of 16 CSFs consisting of 111 items was compiled. Questionnaires were administered to managers of EC organizations in Seoul, Korea, Tokyo, Japan, and Texas, USA. Survey results show that CSFs have very significant explanatory power for firm performance in all three countries. While security, privacy, and technical expertise are the most explanatory CSFs in

Korea, evaluation of EC operations, technical expertise, and ease of use show most explanatory power in USA.

Why use this paper?

This paper is very relevant because it describes all the success factors for e-commerce. This is important because it is a subject that will be answered in this research

§ *An analytical framework for evaluating e-commerce business models and strategies, Chung-Shing Lee, 2001*

Electronic commerce or business is more than just another way to sustain or enhance existing business practices. Rather, e-commerce is a paradigm shift. It is a "disruptive" innovation that is radically changing the traditional way of doing business. The industry is moving so fast because it operates under totally different principles and work rules in the digital economy. A general rule in e-commerce is that there is no simple prescription and almost no such thing as an established business or revenue model for organizations even within the same industry. Under such conditions, an analytical framework is needed to assist e-commerce planners and strategic managers in assessing the critical success factors when formulating e-commerce business models and strategies. This research develops an analytical framework based on the theories of transaction costs and switching costs. Both demand-side and supply-side economies of scale and scope are also applied to the development of this framework. In addition, e-commerce revenue models and strategies are also discussed. Based on the analytical framework developed by this research, this paper discusses the five essential steps for e-commerce success. They are: redefine the competitive advantage; rethink business strategy; re-examine traditional business and revenue models, re-engineer the corporation and Web site; and re-invent customer service. E-commerce planners and strategic managers will be able to use the framework to analyze and evaluate the critical successful factors for e-commerce success.

Why use this paper?

In this paper 5 essential steps for e-commerce success are described. This could also be relevant for the research