

Money Matters Editorial

Introduction:

I didn't get involved in this industry for the money, the notoriety, or the lure of free hardware. I got involved because I had a vision of what a hardware site should be. I got involved because I felt I had something to say. I still feel that way today.

By far, the best part of what I do is the daily interaction I have with the readers. I personally answer every reader e-mail I receive. When someone writes in to say thanks, that something they read on my site answered a question they long had; or, when someone tells me that they spend a few minutes each day at the site to see what I had to say, often times those letters leave me misty-eyed. I consider it to be the highest form of flattery someone in this business can receive.

Even though I didn't start this website--as I stated above--looking for it to make me rich, neither did I start this website because I wanted to indefinitely subsidize the website out of my own pocket. In the end, money matters. Having decided that a website cannot continue indefinitely in the red, the question becomes how to do the nearly impossible and find a working internet business model. Below I have listed some of the most common methods for hardware websites to gain support and or revenue. Since this is an editorial I will also give my opinion of each of these methods.

Banner And Button Advertising:

I have chosen the start here, because not only is this the form of internet advertising most people are most familiar with, but also because it is arguably the most dysfunctional internet revenue source. Most of the advertising opportunities available to sites like mine fall under what is defined as "Performance -Based Advertising", in the future referred to as PBA. Let me explain to you how "Performance-Based Advertising" works. I think many of the readers will be surprised.

Say, for example, you visit a site with PBA. You open their site, and the ad is served, no money is earned. You actually are interested in the product featured and click on the ad, still no money earned. You like the product and go out to Best Buy and pick one up, no money. You click the ad, like the product, and order it at Pricewatch because you can get it cheaper, no money earned. You click the ad, like the product, close the ad, go to the company website for more information, end up ordering the product from the company site, no money earned. The only way the site earns a commission is if you click the ad, and immediately purchase product from the resulting window.

Note a few of the ads allow a temporary cookie to be placed on your computer, so if you buy the item within the next two weeks from that window the website does in fact receive a small commission. Just for fun, let's compare PBA to traditional advertising, which uses potential advertising exposure. (There is a marketing term for this also, but I have been out of business college for quite a while, and I forget what it is.)

Let's say you are watching a football game and a "Pizza Hut" commercial comes on, you change the channel with the remote to check the score of the other game, the network still gets paid. You go make a sandwich or use the bathroom, still paid. You mute the sound and make a call, still paid. Turn off the TV and go to sleep, still paid.

Let's take this example one step further. Pretend for a moment that your TV and your telephone are linked together using PBA. The only way the network would get paid for running the "Pizza Hut" commercial would be if you picked up the phone and ordered a pizza within thirty minutes of airing of the commercial. When you called, the system would determine whether your TV was on at the time the commercial aired and then "Pizza

Hut" would pay the network a small percentage of your total order. It sounds ridiculous, doesn't it?

Subscription Based:

There are two general types popular here: those with mandatory fees, and those with voluntary donations. I am adamantly against the mandatory fees or subscription-based model because it is too exclusive. It artificially limits how many people realistically have access to your site.

I am in favor of voluntary donations, although there seems to be a huge public resistance to it. I have a Paypal donation button on my site, and in the nine months my site has been in operation, two people have donated one dollar. To be fair, a few of the larger sites do a significant take using Paypal donate buttons. Personally, I am stumped on this one. I donate to my favorite sites, and always have--even before I started my own. I mean, I pay 5 bucks for Computer Shopper, 8 bucks for Computer Gaming World. What is the big aversion to dropping a buck a month into your favorite hardware site?

I am sure you guys are tired of hearing me preach on this subject, so let me make one more statement about it, and I'm done. If 50% of the readers to the site this month dropped one dollar here, not only would this site be in the black, but I could afford to hire another person to help out-- pay him a decent salary and still have money left to buy a lot more cool new hardware to review. I personally feel this website business model is the future, but is certainly unpopular today.

Site Sponsorship:

Site Sponsorship, as you might have guessed, is a retailer, usually an online retailer, which provides your site with either new products or money, or both. There is nothing inherently wrong with this type of revenue-maker. I don't personally feel, though, that it's usually available to small OR medium-sized hardware sites. I have tried multiple times to find a site sponsor for my site, only to be told if my site did less than 500,000 hits a month, they were not interested.

I found this shocking. This was the only single piece of information that they were in. They didn't visit my site, didn't read one of my reviews, didn't want to know what my computer background was, just write back and let us know when you can document 500,000 page views a month for us.

In exchange for these considerations, the site not only generally runs an advertisement for the retailer, but makes particular mention of the retailer as providing hardware in the site's review. Generally, an occasional mention of the retailer on your news page is also made.

Manufacturer Samples:

Here is where things really start to get ugly. In an ideal world, manufacturers wouldn't provide them and websites wouldn't accept them, because at the very least, there is an apparent conflict of interest. Too bad, we don't live in an ideal world. So, why do websites including yours truly accept manufacturer samples? Simple. So you, the reader, don't have to stare at a blank page, is why.

Let me give you an example: Say I wanted to write a GeForce 4 Ti Video Card comparison article (which I would like to do, by the way), how am I going to do it? The Ti 4600 is 400 dollars, the Ti 4400 is 300 dollars, and the soon-to-be released Ti 4200 is expected to go for 200 dollars. Counting tax, we are looking at almost 1000 dollars for ONE review.

This would tax the budget of all but the very largest of sites. So, the only way you will see that GeForce 4 Ti comparison review here is if Nvidia is reading this and agrees to send me the cards. Don't hold your breath, though. Nvidia doesn't usually fool around with a site this size. Heck, they don't even answer our e-mail.

Community Support:

This one is the X-Factor and since I have managed to cheese off the advertisers, manufacturers, the retailers, and probably the other web masters, I may as well air an issue I have with part of the community, too. Last week there was a popular, profitable seven-year-old website set to close in the U.K. Why? you might ask, would he want to close down when his site was actually MAKING money? Something most sites, this one included, doesn't do. Reader apathy is why. With over 40,000 unique visitors daily he was receiving ten to 15 e-mails of encouragement and support a week.

After he posted this statement on his site, he received more than 300 e-mails asking him to stay. He has now reconsidered and now plans to keep his site open. Why, though, did he have to threaten to shut down to get any reader feedback in the first place though?

I have one more example, this one personal. Last week a certain fairly large website that I frequent had one of his staff turn 16 years old. On his birthday, he invited readers to write in and wish him Happy Birthday, since he was working on the site instead of out celebrating his birthday like a 16 year old should be. The fact that he was doing this touched me, and I took 5 minutes and fired off an e-mail anonymously wishing him Happy Birthday. He replied later--rather wryly--that I was the ONLY single reader to have wished him a Happy 16th Birthday. That seems to me kinda sad.

Do you, as a reader, have a right to visit a site daily, read the news, read the reviews, take advantage of any information you find? Of course you do. This is, after all, still a free country, but if the sites you love and frequent start to disappear, if you sat by idly and did nothing, do you really have a reason to complain? The title of this editorial is Money Matters, and it does matter. Ask the hardware webmaster of the site of your choice.

[Jim Adkins](#)

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