

Free or Fee?

By Rhonda Rosser

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Anyone surfing the Internet lately has more than likely encountered quite a few paid subscription sites. Or in some cases, part free and part fee.

For quite some time now everyone has been enjoying the free ride that the Internet has offered but are those days quickly coming to a end?

According to a recent survey 42% of online adults expect that one day they will have to pay for online content. This figure is down 3% from a survey taken in August of 2000. Still, all signs are pointing toward paid sites.

Current predictions are that revenue from paid online content will go from \$1.4 billion in 2002, to \$5.8 billion by 2006.

Why are more and more sites going from free to fee? In a word, revenue. When the dot-com bubble burst in 2000, ad sales hit the skids and sites were forced to find other ways to be profitable.

For a lot of web sites, paid content is paying off big time. A couple of prime examples are RealNetworks and AmericanGreetings.com.

RealNetworks started charging \$10-\$20 a month for their content about 3 months ago and they already have a half-million subscribers!

In December of 2001 AmericanGreetings.com began charging \$19.95 for access to their previously free e-mail greetings. At this writing they have garnered 1 million members.

