

The present situation of the Mass Media in Internet*

(The future of the services based on telecomm)

Panel de expertos

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* Se incluyen los resúmenes o esquemas del trabajo presentado por los participantes en sus respectivas intervenciones.

MICHAEL GULINO

El cambio desde los medios de publicación estáticos a los dinámicos en la red Internet: debate sobre las limitaciones y problemas de los sistemas de producción de primera generación en Internet y de las medidas que se están aplicando actualmente para tratarlos.

ELIZABETH A. OSDER

The Evolution of Content: Beyond what's "Cool" and what's "Hot". It's about what works and what doesn't?

The New York Times on the Web Content:

I. First Two Years:

The Newspaper "Plus"

Annotated version of the news report

Extended Publishing Cycle: Updates

Original Content: CyberTimes and Web Specials (teaching projects)

Interactive Features: Crossword, Trivia

Multimedia: Real Audio and video

Community: 175 Forums

II. Where we are going in '98-00?

A. A New Product / Publication Definition:

The New York Times on the Web is a *tightly integrated network of highest quality content and services*, the cornerstone of which is the daily news report of The New York Times Newspaper.

Increased emphasis on development of Web only content and services. A mandate to go beyond the newspaper online.

B. Areas of Development

Add and expand specific areas of content and service (key attribute: currency, utility and involvement)

New deeper use of Times, original and partner content (key attribute: uniqueness)

Improved design and functionality (key attribute: ease of use)

III. How will we get there?

A. Know and exploit our assets and core competencies

Provide content in concert with technology

Aggregate: Content

Integrate: Technology

Provide our audience:

Highest Quality, Timely, Useful and Interactive Experience

B. A Development Process: Reinvent the product and the organization to meet the needs of a changing environment.

C. Teams: New teams for a new medium — editors, designers and programmers working together

D. Research: Study your logs and ask your users; Apply learning and take strategic risks in developing a new media product.

IV. The Newspaper Industry

A. The Power of Text

"Shovelware" is our greatest asset

Understood value — credibility to the reader/user

A link to our core product

Something our competitors don't have

Use it, annotate it, re-package it, exploit it. It's our unique, deep and compelling information base.

B. Critical Advice for the Print Industry:

Beyond what's "Cool" and what's "Hot." It's about what works and what doesn't?

Share knowledge and experience (vendors, technologies, concepts, etc...)

Recognize the real competition

Be strategic with your resources

A culture of invention

Be Flexible — don't build legacy systems, be entrepreneurial, things will continue to change quickly

SERGIO PUOTI

Newspaper electronic publishing - trend and threats

Statistics are reporting that about 3,500 newspaper sites are available worldwide. 43% of online newspapers are now based outside the U.S. That figure was only 29% one year ago. The entire online market is in a continuous turmoil, major topics in Web publishing are: Content is king; it must be supported by high quality, which the newspaper can achieve by controlling its own brand, the packaging and the presentation. Creating services useful to the community. Give consumers a reason to come back to your site, not only for chatting, but because they find a variety of interesting things on your site, they get the perception of a new relationship between them and the publishing company. Because of the difficulty of selling information, advertising is still seen as one of the opportunities, if not THE opportunity, to generate revenue. The critical factor still is how to sell advertising, how to attract advertisers, how statistics based on hits, impressions, click-throughs or visits can be made meaningful and valuable to advertisers.

This paper is describing in an extensive way those issues related to newspaper online publishing that will be summarized by Sergio Puoti during his contribution to the panel "The current situation of Media in Internet":

Statistics are reporting that about 3,500 newspaper sites are available worldwide.

Interesting to note that 43% of online newspapers are now based outside the U.S. That figure was only 29% one year ago.

Nevertheless, everybody is struggling to find the best formula for publishing on the Internet.

Who has the solutions?

Difficult to say!!

The problem is that it is still a bit too early to expect clear-cut answers or guaranteed formulas for success.

The entire online market is in continuous development, searching for ideal solutions that today are not clear yet.

For instance, when you're dealing with Web publishing a major topic is content.

Content is king; it must be supported by high quality, which the newspaper can achieve by controlling its own brand, the packaging and the presentation.

The danger arises from assuming that being successful in one medium — the print, automatically it means success in another one — the electronic.

Quoting Dorothy Coccoli Palsho, president of business information services at Dow Jones, she says the key issues for success in the online market are:

- the brand,
- the breadth (broadening the market),
- the balance (redefining the publisher's role),
- and the bucks (be profitable with the services).

Being focused on the market and listening to the customers is fundamental as well.

Even if the focus is on creating new products, publishers should not refuse to create links between print and online products.

This is actually a way to reinforce the brand identity, to support the print products, to maintain or even increase their presence in the market.

The core business is still print publishing, and it will be for some decades to come.

Web publishing is also about creating services useful to the community.

Give consumers a reason to come back to your site — not only for chatting, which is losing popularity — but because they find a variety of interesting things on your site.

They should get a sense that the things they find there have been created especially for them, a perception of a new relationship between consumers and the publishing company.

The key factor is to build an entire community service under the publisher's brand.

Creating a place where the user feels confident and comfortable in accessing any kind of information should be the target for every online publisher.

Another important issue: Web publishing cannot survive without advertising — this is very much about display advertising and sponsorship on one side and online classifieds on the other.

Because of the difficulty of selling information, advertising is still seen as one of the opportunities, if not THE opportunity, to generate revenue.

The critical factor still is how to sell advertising, how to attract advertisers, how statistics based on hits, impressions, click-throughs or visits can be made meaningful and valuable to advertisers.

The experience of the last two years has shown that advertising and readership reinforce one another.

In other words, advertising cannot survive without traffic — the readers — but high-value information actually attracts the kind of habitual readers who also are potential buyers.

That is, of course, a bit of a vicious circle, but thanks to the content, newspapers have a real asset to both protect and exploit.

Classifieds are in danger.

Many people are predicting a new-media market that may threaten this important revenue stream. Losing classified ads means losing users.

While in print it is important to build a product around the advertisements, on the Web it is even more important to do so.

Web publishing has also discovered the value of partnerships.

Sometimes, developing online products and services by yourself is not easy or even feasible. Online publishing means providing both local and global information, and in some circumstances the publisher cannot compete in both areas with equal strength.

That is when partnerships with other organizations, other newspapers, other media can be advisable.

The last months have also shown a new trend — the integration of several services into one online product. This is the answer to the need of creating new products and services designed to exploit the peculiar characteristics of the new medium: interactivity, immediacy, global communication, etc.

From the newspaper's point of view, that can mean creating a new service that encompasses several existing types of content, such as editorial information, classified ads, archives, and yellow pages.

Interesting examples are Dow Jones's Interactive Journal and the Houston Chronicle's Directory Center. Its motto, "Expand your reach with Directory Center online and in-paper advertising opportunities," is a clear message of media synergy for potential advertisers.

In Europe some newspapers are just following that idea as well.

One of the hottest topics nowadays is the question as to whether to "push" content to the consumer or leave it to him or her to "pull" it from the Web.

Arguments for both points of view are everywhere, with each side claiming to know which method is better for the consumer.

The dilemma is really about understanding what users prefer: customized feeds that match users' interest profiles, or the chance to pull the information they want or need from the sources they like?

Actually, there is a third possibility: use both models.

There is no reason, in fact, why one must preclude the other.

As a consumer, you would probably like to use either method, depending on your needs.

Depending on the situation, it can be more appropriate to use the Web model, a sort of "search, wait and see" model.

On the other hand, if you don't mind the absence of the "serendipity effect," the push delivery model can sometimes be more efficient and effective.

Ultimately, the suggestion could be: let's have both!

Some failure

During the past months, at INES we have gathered, from different sources, concerns about an hypothetical "great Web shakeout" to come in the next near future.

This skepticism is based on the fact that Internet advertising has failed to grow quickly enough to support all would-be Web publishers, and the users continue to refuse paying for much online material besides pornography.

Meanwhile some big media companies are losing millions of dollars a year on the bet that the World Wide Web will catch on as a mass medium and the survivors may someday win the battle and make big money, small online publishers are already pulling the plug of their online operations.

Even MSNBC.com, the Web site operated jointly by NBC News and Microsoft Corp., is not expected to be profitable for at least another four to five years, according to what Bill Gates admitted often publicly. "You have to see a lot more growth before the advertising model becomes profitable", Gates keeps repeating. "So far, most advertisers see the Web as an experimental model."

Because of the multitude of Web sites, it's become important to find an answer to the question: how to make your site different from the others?

A first answer is: news is the attraction for most users of the Internet.

Content is certainly one good reason for online users to come back to a specific site. Interesting to note is the evolution of editorial content in newspaper Web sites — from simple shovelware to editorially-sophisticated online content, up to complex and high value editorial pages where the emphasis is on the hypertextual links.

(Some examples: La Stampa, www.lastampa.it - Diario de Noticias, www.dn.pt - The Times, www.the-times.co.uk - The Telegraph, www.telegraph.co.uk.)

Originally developed content

Being on the World Wide Web it means also an opportunity to develop special content just for this medium. Newspapers are really try to be creative and offer all kinds of content exclusively made for the Web site.

Here are some examples:

Simulators, calculators add value to Web sites

No successful consumer-oriented news product solely covers events as they happen. As much as readers clamor to know what is actually going on in the world, they also seek broader perspectives, such as the speculative: "what could be, what would be possible if...," and so on.

One of journalism's most valued functions is to pose thought-provoking questions about the future or an alternative present, and then try to answer them.

Electronic publishing puts powerful new tools in the hands of journalists and the public to find factual answers to such questions.

Programmed appropriately, computers are indispensable for generating numerical results of hypothetical situations. The Web can distribute that computing power to consumers world-wide.

This is an area where an electronic publication truly has value in its own right. No paper-based tables and forms can compare with the ease and accuracy of using a computer to calculate "what if" on the basis of real and/or hypothetical data.

Publishing applications range from the purely entertainment-oriented to serious analysis of political and social issues. They also include practical simulators that can help users make important financial decisions. Some examples: simulating a tax plan, helping users with loans and stocks, supporting fantasy sports leagues online.

A good example is the Electronic Telegraph's Fantasy Football League, which has in fact produced significant amounts of revenue for the newspaper. Registering for the league costs 10 Pounds. The league is sponsored by a large sports-betting company.

Personalized information

Another kind of product for your Web site is personalized information.

Users of your site can select their own material they want to see, and everytime they go back to the site, first thing they get is whatever is related to their previous choice.

Among newspapers, The Times has an interesting service along these lines called Personal Times. You define your profile once, and then in the site there is a special collection of information made just for you, at your disposal as soon as you enter the site.

Archive material is another asset the newspapers have to exploit online.

The issue involves integrating traditional archives and online services into the daily newspaper's workflow, which is something that still represents for many newspapers a critical task.

As we will see later on, offering online archive material can also generate incremental revenue.

An interesting case is Der Standard (www.derstandard.at) one of the largest daily Austrian newspapers, with a readership of about 354,000.

In February 1995, Der Standard became the first German-speaking newspaper to offer an online edition, which became quite successful. Until recently Der Standard didn't have its own archive but used the service offered by Austria Presse Agentur (APA).

Strategic issues and costs persuaded the paper to build up its own digital archive to get a cheap and fast database that allows reuse of original content beyond the printed paper and online edition.

A service for the community

Besides having high quality content on the Web, creating a community around your Web site is another key factor for being successful online.

Millions of people use online services to participate in virtual communities. They join Usenet newsgroups, and thousands of other communities like The Well, Women's Wire, Parent Soup, Moms Online, Garden Escape, Agriculture Online, Tripod.

Nowadays, communities are moving away from their long-time homes on local bulletin boards, the Usenet, and proprietary services, and go to the Web.

Most of the new Web-based communities started in the U.S. but there are increasing numbers of them in Germany, Japan and Scandinavia. A new breed of Net users is taking up "residence" at a Web site-community, instead of surfing around from site to site.

Those users want company and a sense of belonging — the cyberspace equivalent of a pub where everybody knows your e-mail address, and content in this case is no longer the main reason people stay at a site.

One reason for the growing number and popularity of Web communities is the changing demographics of its users. Sixty-seven percent are now 30 years of age and older, including 19% over the age of 50, and women account for 41%.

The online population begins to look more like the mass population.

These adults enter the Web and find a disorganized place with hundreds of thousands of Web sites to choose from. So they are gravitating to Web sites where they can find friends and feel comfortable, just like in the real world. Fifty-seven percent of those hopping onto the Net go to the same site repeatedly, and of the 89% who use e-mail, nearly one-third consider themselves part of an online community.

What do these online communities have in common?

They are all built around a common interest or passion, such as gardening or being a parent or a soccer fan. In addition, they encourage communication and interaction through chat rooms, bulletin boards, and discussion forums. One important rule for the creators of communities is to let the users shape the community instead of dictating the rules.

A business opportunity

Online communities also provide a business opportunity for Internet publishers. The average visit to a Web site usually is seven minutes, which leaves little time for Web publishers, advertisers and merchants to promote or sell anything. But adding a way for Web surfers to chat increases traffic on sites by as much as 50%, and chat visitors hang around for half an hour.

This is alluring to advertisers, who will gladly pay to reach an audience that stays long enough to absorb their ad messages. And communities have common interests and more clearly defined demographics, making it easier for advertisers to target their messages.

Some Web communities have already raised their rates for banner ads above the average for mainstream Web sites. And those communities get even more money by attracting big companies to sponsor special areas and events.

The biggest advantage may be the ability to charge membership subscriptions. While subscriptions have generally not worked well for content-driven sites, they do for online communities.

This is also a field for competition. Microsoft's Sidewalk is one of them to compete with newspapers. It claims to provide personalized information via e-mail. The recently launched New York Sidewalk covers everything from concerts to movies and restaurants to sporting events, with previews, reviews and even personalized recommendations about what's happening in the city.

Other Sidewalk city guides are scheduled to launch, in Europe the first probably will be Munich, sometime in the first quarter 1998.

A threat for everybody!!

Well let's see what newspapers around the world are doing to challenge this type of competition.

Actually they are everywhere very active and create such good services that is not going to be so easy for the Microsofts and the others to establish their products, as they may think it will be.

Here there are some examples.

European Internet navigation company Lycos-Bertelsmann, a joint venture between Lycos and Europe's largest media company Bertelsmann, has partnered with two interactive companies to post Web sites for the Tour de France (the top annual cycle race which runs every year in July through more than 20 stages) and the Montreux Jazz Festival (one of the major Jazz festivals world wide).

Another interesting example is the new campus of Mercury Center's online teen magazine.

Mercury Center, the premier web site of the San Jose Mercury News with a wide range of online services and resources, offers the online teen magazine Digital High which is mainly directed at computer-savvy students in the high tech capital, but that's open also to young Web surfers worldwide for free.

The high school campus is open 24 hours a day, 365 days a year. Here's the place where students are researching job opportunities in the Career Center, getting advice in the Counselor's Office, reading news affecting teens in the Newsroom — and discussing how to avoid prom nightmares in the Prom Zone.

Another category of online community is the so called geographically-based services. Here the focus is on a specific region, city, with everything is related to it.

An interesting case is the very recent Belfast city guide.

Within the service, the Belfast Telegraph (www.belfasttelegraph.co.uk) has created a virtual meeting place for expatriates called Crown Liquor Saloon which is a real pub in Belfast and it has installed a live video camera hooked up to the Internet.

The idea is to offer expatriates around the world the chance to hook up with friends and family.

How they explain the idea is "Say you're in the United States and you haven't seen one of your mates in Northern Ireland for a while. Well, now you can get in touch via the Internet. Arrange for them to be in the pub at a certain time,

and when you log on you'll be able to see them waving to you."

Virtual customers will be able to listen to chat from one of the booths of the pub.

This service is part of the Belfast Telegraph's new online information gateway Web site, which is shortly to be upgraded to what the Belfast Telegraph is calling a "supersite" aimed mainly at expatriates.

Other examples are city.nl — a conglomerate of city guides in the Netherlands, and the local Web site service of Portsmouth (www.thenews.co.uk).

Does advertising on the World Wide Web work?

This is the question that marketers — those people, who are projected to spend billions of dollars on Web advertising in the next years — ask.

To answer it, it was conducted a study which proved that banner advertising on the Web has the ability to build brands in a classical sense.

The study concluded that this ability, in addition to the Web's established advantages in selective targeting and direct marketing, makes the Web "a medium with truly superior potential for conducting marketing".

In our view, the study has a value in showing that advertising on the Internet shouldn't be considered in terms of direct marketing only. The Internet does seem to have a potential in building brand awareness which makes it interesting as an advertising medium also for companies with advertising goals other than direct marketing.

One thing is sure: newspaper Web sites fight for advertising revenue.

Nearly all Web publishers have been searching frantically for advertising revenue as they continue to invest heavily to develop, operate, and promote their sites.

Even though advertising grew substantially last year, much of that spending came from the Internet industry itself. Netscape Communications, Yahoo and Infoseek were the three leading advertisers on the Web.

According to the Coopers & Lybrand study, five industry categories contributed 90 percent of the total ad revenue: computing products with 38 percent; consumer products (such as automobiles and light trucks), 20 percent; new media, 17 percent; telecommunications, 9 percent; and business services, 6 percent.

On the local level, the market for Internet advertising has not yet emerged — but it will, according to market research firms.

In an address to a group of newspaper executives earlier this year, it was said that newspapers should be patient.

Most expert observers of Web advertising say local newspapers have a single unique asset: local news. That element, they say, will ultimately be the key to attracting advertising revenues to newspaper Web sites.

Despite that vote of confidence, potential Web advertisers see three key problems: audience measurement, creative limitations, and audience size.

Hard data on the effectiveness of Web advertising remains elusive — there still is no credible third-party audience

measurement, no confirmation of the data, and no consistency in the way Web sites report the data.

How to price advertising? This is still uncertain!!

The discussion about pricing Web advertisements based on impressions rather click-throughs had barely cooled down when a new pricing structure emerged: the cost-per-action pricing model.

This new model, introduced by DoubleClick, provides users with four options: cost-per-click (CPC), cost-per-lead (CPL), cost-per-sale (CPS) and cost-per-download (CPD).

According to DoubleClick executives, direct marketers will benefit from immediate feedback on the effectiveness of ad campaigns, automatic targeting to interested groups, and less-expensive data acquisition for lead-management databases.

An auditing system incorporated into the ad management process provides advertisers with immediate results after an action has been completed (lead, sale, download or click).

Criticism of the new model

Critics of the cost-per-action pricing model contend that it devalues the impression model, based on CPMs.

They argue that by not charging for banner placement, DoubleClick implies that there is no value in impressions and thus calls into question the value of the Internet as a medium for creating brand awareness.

With traditional advertising, content providers create audiences and advertisers pay to be associated with them. With the cost-per-action model, a poorly designed, badly performing ad causes no loss to the advertiser, but rather to the publisher on whose site it is placed.

On the other side the click-through pricing model, even if not well accepted by publishers, is moving up. In fact, many sites today offer at least one advertising package based on click-throughs, and outside the United States, we know of some cases in Germany, in Scandinavia and in Japan.

Ad presentation — the importance of attracting the attention of the user.

The last type of ad is called interstitial.

Interstitial ads bring TV-like intrusiveness to the Web.

Interstitial ads — also called full-page Web ads, pop-up ads, transition banners, or Web commercials — constitute a new approach to advertising on the World Wide Web.

An interstitial ad is a full-page advertisement that appears briefly on the user's screen when he or she calls up a new page of content or otherwise interacts with a site.

By means of illustration: If a user opened a link to the Daily Planet's sports page, he might be presented with a full-page beer ad. As the user waited a few moments, the ad would disappear and the Planet's sports page would appear.

Interstitial ads can be found on several sites.

The user cannot control "what" or "when".

Interstitial ads resemble standard TV commercials in that the media user has no control over what pops up or when it appears. For the time being, however, they are far from TV-like in terms of content.

As bandwidth grows, such ads could add video to their current animated content.

Advertisers see advantages, but will Web users?

Since interstitial ads take some control away from the Web user, and in most cases force him or her to sit in front of the screen for a few additional seconds, some Web publishers are concerned about how users will react to this new form of advertising.

Advertisers, on the other hand, are welcoming the more intrusive ads. Worried that many users see banners as nothing but "wallpaper," they hope their messages will receive more attention because of the new presentation format.

At MSNBC, for instance, interstitial ads cost significantly more than the usual \$47/CPM rate for banners.

However, it is not yet clear how effective interstitial ads actually are.

In the United States, there seems to be a consensus that interstitials do not generate site traffic — most of them do not even contain any hyperlinks — and that their strength lies mainly in creating brand awareness.

Interstitials vs. banners

Some media executives say that although interstitial ads briefly command more of the computer monitor than do banner ads, their click-through value will probably be less.

The user who accesses an area of a Web site looking for content — but receives an ad instead — has already decided on a destination and does not want to be distracted by advertising information.

The advantage of banners in that respect is that they can coexist with other content on Web pages, giving the user the possibility to click through after having finished consuming the content he was seeking.

For the publisher, interstitials lacking hyperlinks have the advantage of keeping readers at the original site, rather than inducing them to jump to the advertiser's site, from which they may never return.

Classifieds — as said earlier on, they are in danger. It's too easy for other business organizations to create online classified online databases.

How newspapers can protect this longtime asset?

Reacting, being aggressive and why not, looking for partnerships.

This is the case of a consortium of seven regional newspapers in the United Kingdom that has set up ADHunter, a service pioneering a database of classified local and regional newspaper advertising on the Internet.

Auto Hunter, the first available product of the service, gives access to Car Hunter as well as to the service's subsidiaries Bike Hunter, Boat Hunter, Caravan Hunter and Commercial Vehicle Hunter.

Vehicles which are being sold through a regional newspaper's classified pages can now be included in the database of Auto Hunter which at its core uses the Verity search engine.

Car Hunter gives car buyers quick, accurate and convenient Internet access to up to 350,000 cars.

Users can choose the region or regions which they are interested in, and can then search for the cars of their choice by make, model, price and other criteria. On the results page, the newspapers serving each region are listed on the side of the screen but the user doesn't see from which newspaper a particular ad comes.

More subscription sites are launched, but consumer acceptance is uncertain.

Gradually, online publishers are starting to charge subscription fees for their Web sites.

However, changing consumers' expectations to the point where they will accept subscription fees online as readily as they do in print will not be a quick or easy process.

A survey released recently by an advertising agency in New York found that 60 percent of online consumers would not buy an electronic subscription to their favorite magazine.

This summer, several companies have launched subscription Web sites with niche content — generally seen as a requirement if the model is to have any chance of success.

Anytime is a great time to come out with subscription content as long as online publishers offer value that users can't get anywhere else.

Personalization seen easing acceptance

Personalization technologies that allow viewers to tailor the content they receive, such as financial stories about a specific industry or sports news about their favorite team, make the subscription model more attractive to consumers.

Such personalization is a main attraction to the Wall Street Journal Interactive Edition, which with more than 100,000 subscribers is considered the Web's biggest subscription success story.

The need for content that cannot be found elsewhere was demonstrated by the failure of the Royals site operated by Associated Electronic Publishing, the new-media arm of Associated Newspapers in UK.

The site, opened earlier this year, contained news, history, and gossip concerning the British royal family.

It was closed after three months after failing to attract the required level of annual subscriptions (\$110). It was in direct competition with several free sites on the same subject, including one run by the government.

The Economist, a weekly newsmagazine that prefers to call itself a newspaper, has remodeled its Web site and instituted a registration/subscription structure.

The introductory annual subscription fee is \$48 for full access.

The Economist Web Edition contains all articles from each week's issue and a searchable two-year archive of articles.

Subscribers to the print edition of The Economist can become subscribers to the site at no cost until December 31, 1997.

Some parts of the remodeled site are freely accessible by all visitors. In addition to reading the main article, the leader, and six other articles from the current issue, visitors can search or browse the classified ads and go to the Marketplace.

The main feature of the Marketplace is The Economist Shop, where the visitor can order books, reports, other publications, and business accessories on line.

Casual visitors to the site are encouraged to register even if they do not choose to subscribe. They are enticed to register by an offer comprising archive access, with five retrieved articles free of charge; a free screensaver; and free receipt of the "Politics this week" and "Business this week" e-mail summary editions.

Online transactions — how to support selling content

Over the last six months, the infrastructure for supporting online subscriptions has been slowly evolving, and publishers are now faced with a variety of options for moving beyond Internet advertising into the world of Web transactions.

There are two main types of transactions publishers will consider when deciding whether to charge for their content — monthly/yearly subscriptions or per-article charges.

Charging by article is a more difficult proposition, with solutions ranging from aggregating charges for eventual credit card processing to embracing new forms of currency such as the digital cash schemes that have recently hit the market.

Netscape, CyberCash's CyberCoin, First Virtual, DigiCash, Microsoft, Open Market are the major players in the Internet commerce market that serve the publishing community with transaction solutions.

Advertising online has lately developed also into sponsorship as additional source of revenue.

This is about having co-branded content on a Web site.

As in traditional media such as TV and radio, sponsorships are well regarded for their branding value because they facilitate greater integration of the advertiser's brand within content.

As opposed to banners, the primary role of sponsorships is moving toward associating a brand with a particular type of content.

Even if the first examples added little value in terms of forming a relationship between ad content and editorial, they served as valuable research tools that allowed publishers and advertisers to experience how real synergy is created when there is a match between sponsoring brand and editorial.

Publishers have increased advertisers' interest in sponsorships by developing opportunities for sponsors to associate their brands with specific programming.

Moreover, site sponsorships often go beyond banners in the sense that an advertiser can place a greater amount of ad content on a publisher's site as part of the ad buy.

Typical are the so called advertorial pages, where editorial information and advertising messages are mixed together as one whole product.

It comes as no surprise that many publishers seek sponsors to pay for development of new Web features.