



## **8 Things to know before charging for your content or service**

### **1. People are willing to pay for content**

For over eight years, consumers have paid for online dating services, investment services, online credit help, online ancestry research, and online games. There's an even longer online fee history for business-to-business (B2B) reports and research and other content categories.

### **2. Small transactions can be profitable**

Using credit cards to collect payment is not profitable when considering transactions less than \$1 dollar. This is due to transaction fees and commissions that end up costing more than the value of the product sold. Micropayment systems such as Centipaid can accept payment as low as \$0.001 and provide a variable commission rate that gives the merchant the flexibility necessary to be profitable at all transaction levels.

### **3. Price your services and or content right**

Every bit of content has a value. A price can be set for even the most commoditized content. As electricity never became "too cheap to meter," information's value will never be too cheap to measure, no matter how wired the home or office.

Recent studies demonstrate the vast majority of consumers won't pay \$3 or more, even for complete site access. The median price those surveyed say they would pay for *online newspaper* access is \$1 per month.

Do not take the simple approach of charging per link, unless you are dealing with individual products. Grant access to users based on time, such as 1 day pass to all content on site. If you previously grouped pieces of contents such as books or music, images together to charge a higher rate, then consider breaking it down to smaller groups with a lower price. Remember that Micropayments lower the barrier to pay.

### **4. Subscriptions are not always attractive**

For a whole segment of buyers, subscriptions are not attractive. These buyers are not motivated enough, worry about their privacy and financial information, or visit the site too infrequently to bear the cost of a larger one-time subscription. From the content owner's perspective, the subscription model fails to address a significant portion of the demand curve—the 120 million U.S. Internet users presently not paying for content.

### **5. Registrations are barriers to paying users**

Sites requiring consumers to register and provide some basic demographic information about themselves for viewing content, can alienate a large segment of paid users.

From a user point-of-view the sole reason to their visit of your service/site lies in obtaining access to the content quickly and without hassles. It was customary to ask paid users for registration information since it is required for credit card processing, but users are not willing to fill in any form of identification for a \$5 dollar payment, especially with the availability of an anonymous payment system such as Centipaid. These barriers are more likely to direct the user to abstain from using a site that would come across as not respectful of their privacy or the time wasted filling in forms, compared to others that will facilitate them with a pay and go option.

### **6. Be clear on what the customer gets in exchange**

Make sure that your content is not made inaccessible. Provide samples and examples when possible, Web publishers need to post free summaries of all premium content (and I mean



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Micropayments made possible

every article) -- with enough description that these pages will still be included by the search engines. Traffic will still come at such pages from the traditional routes, but consumers will be presented with various simple payment options to see the full content.

### 7. Offer multiple payment options

When you switch existing free content to paid, or introduce new paid content, make it simple for the user to pay. Account for the Web surfer who finds your premium content via a search engine or external link. Offer multiple payment options: a small one-time fee, a day pass to all your premium content, a longer-term subscription, a content network that will allow access to your content plus that of others, or a passcode from a content network that allows access to your content (or better yet, a content-network-set cookie to enable instant access). Make the barrier to premium content as low and flexible as possible.

### 8. Be your customer

Be your customer. Let your coworkers, friends and family (depending on your market segment) take a tour of your services, and understand how everything works. Do not charge for everything on the site, charge for premium content or service. Put a lot of samples, and descriptions, install a free public forum for people to exchange ideas, and read what other think of your service. Respect the users' privacy by giving them ways to pay you while maintaining their anonymity. Give them a quick way to pay you such as Centipaid. If you want to measure a certain demographical value, then post surveys. Remove annoying pop ads, and tell users that you are an ad free site (if that is the case).

## How can Centipaid help you

- Our payment system, API and software can accommodate all types of payments.
- CentiPIX is next best thing after cash. Just click and pay.
- Merchants can charge for payments as low as \$0.001.
- We can help you lower the payment barrier by allowing you to collect fees without filling in complex form, or interfering with the user experience in your site.

### Reference:

- [Online Publishing Relies on Multiple Revenue Streams \(3/11/2003\)](#)
- [Online newspapers show little interest in innovative payment systems \(2/17/2003\)](#)
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- [Conspiracy Theories \(2/25/2003\)](#)
- [When Free Begets Fee \(2/11/2003\)](#)
- [What Price Content? \(1/28/2003\)](#)
- [Never Too Cheap to Meter \(11/19/2002\)](#)
- [Micro payment's big potential \(11/2002\)](#)
- [Industry still seeking a way to cash in on micropayment \(9/2002\)](#)
- [Examining Paid Content's Future \(8/14/2002\)](#)
- [What Consumers Tell Us About Paying for News Online \(2002\)](#)