

Chapter 4

B2C Digital Business Models: Content



The content business model consists of the collection, selection, systemization, compilation (packaging) and delivery of content on a domestic platform. The aim of this business model approach is to make content accessible to the user over the Internet in an easy, convenient and visually appealing form (Wirtz and Kleineicken 2000). Section 4.1 provides an overview of the content business model in general.¹

The content offered can be informative, educational or entertaining in nature. The content business model accordingly comprises the subcategories e-information, e-entertainment and e-education. A fourth subcategory is e-infotainment that highlights a hybrid of informational and entertainment content. These subcategories are explained separately in Sect. 4.2.

There are numerous core assets and core competencies that are relevant for the above-mentioned business activities in order to provide offers that create value for the customer. Section 4.3 describes those value chain aspects, as well as the requested core asset competencies.

Mixing the different service offers or content business model types can result in synergy effects that content providers can use for their actual core business model to foster their business success (Wirtz et al. 2011). The complementarity of the service portfolio promotes the general trend according to which customers often expect diversified service offers from a single source. In this respect, it is also comprehensible that a sharp distinction between the individual business model types of the content providers is not always possible, which becomes clear when looking at the practical examples. As an example of the content model, the business model of Wikipedia is described in Sect. 4.4.

¹See also for the following chapter Wirtz (2018b).

4.1 The Content Business Model

Just like the basic classification of the 4C-Net Business Model, the subcategories of the content business model serve to depict the range of activities of different Internet businesses in ideal-typical structures. Figure 4.1 shows the entire content business model and its respective subcategories.

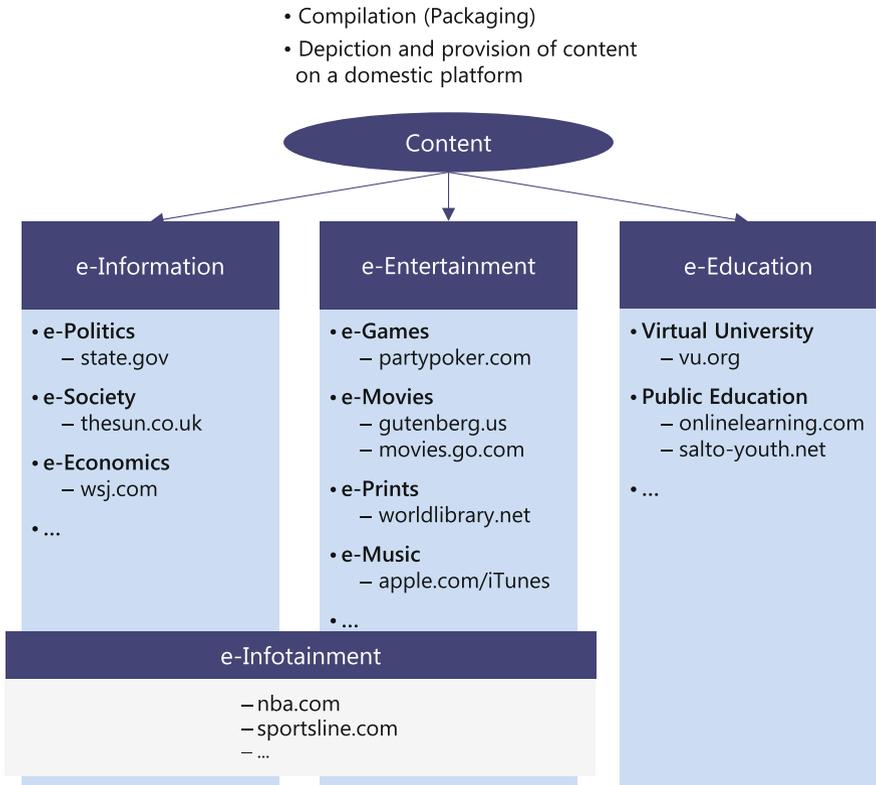


Fig. 4.1 The content business model. *Source* Wirtz (2001a, 2018b)

E-information providers place special emphasis on the informative character of content within their value proposition. Users regard content as informative when it provides information to solve a problem or covers a socially relevant field of general educational value. Politicians, for instance, seek to use the Internet as a means of transmitting information in order to win voters or spread general political information. A higher demand for problem-solving information occurs, for instance, in the field of economic information when credit or investment-related decisions need to be made.

Entertaining content serves users as a pastime or as a source of relaxation and constitutes the core of the service offer in the context of the e-entertainment business model. In contrast to informative content, the information received by users does not contribute directly to the solution of a problem or task.

The core focus of the e-infotainment business model refers to the integration of entertainment and information aspects. This combination of relevant information with entertaining multimedia aspects is largely due to the trend that e-business companies prefer to provide a more diversified range of services, rather than taking on a role as niche supplier, in order to increase the number of active users. This strategy still draws on the revenue model of indirect and mainly advertisement-based revenue, which is commonly used by content providers to supply their content for free (Pauwels and Weiss 2008).

In general, educational content can of course also be inspiring and entertaining. However, in the context of electronic educational content (e-education), there is a delimiting feature, in particular, that the content is didactically geared towards a learning process, which often is associated with a certification that confirms that the user has undergone the respective learning process (Turban 2015).

Building on this general framework of content types, the following considers the general value chain of a content provider and its core assets and competencies, before addressing the specific service offers of the content-based business model types in detail. The presentation of content-based business models then concludes with the practical example of Wikipedia.

4.2 Content Business Model Types

The service offers of the business model types, e-information, e-education, e-entertainment and e-infotainment as business models of the content type are specified in the following, as shown in Fig. 4.1. In doing so, their respective characteristics are addressed and current practical examples adduced by way of illustration.

- E-Information

E-information places special emphasis on the informational and problem-solving-oriented content. If an information provider concentrates on a specific subject area (Wirtz and Becker 2001), the business model type e-information can be subdivided into service providers with a particular focus on political, social or economic content (e-politics, e-society and e-economics). By concentrating on a specific topic, such as economic information, suppliers of informative content can provide an added value to customers in the form of greater information depth.

Examples of political content providers are the United Nations (un.org) at the international level and the US government (usa.gov) at the national level. Here, one

can find comprehensive information on a wide range of political topics, some of which have also been didactically prepared. Commercial interests are less important for these providers than the information request. However, in addition to the financing by means of public budget resources, user-based revenue forms are also conceivable, for instance, direct revenue through book sales.

The websites museumsusa.org or closerweekly.com offer social information. On the website museumsusa.org, the user can check the museum's opening hours and read short descriptions of current exhibitions or search artist or monument databases. Moreover, the magazine *Closer*, for instance, focuses on the topics lifestyle and society news in its online edition, using multimedia and networked content, such as podcasts or online voting on lifestyle issues.

E-economics content is concerned with information from and about the economy, as well as information that is intended for the economy. The online edition of the *Wallstreet Journal* (Wsj.com) represents the first category. The Bloomberg Group that offers magazines, company information, product information and financial information "for the economy" belongs primarily to the second group. The transitions are smooth because information about the economy is also interesting for other economic actors as recipients.

However, a business model type does not necessarily have to specialize in only one branch of information. Similarly, business models are conceivable that offer several information branches. These providers reach a high coverage through a broad range of information across all areas of interest. The Interactive Edition of the *Wall Street Journal* or the online edition of the *New York Times* provide cross-thematic information from the fields of politics, society and economy. As a result, they provide a service offer for a wider circle of readers than just for a special professional audience.

An example of an e-information provider is the simplified business model of the *Financial Times* in Fig. 4.2. The size of the fields in the service offer model indicates the importance of the corresponding area. News agencies report content to the online edition of the *Financial Times*, which is then collected, selected and compiled. Besides this, the editorial team creates own online content. This content is provided on a separate platform for the customers of the *Financial Times*. The services of the *Financial Times* in the field of content include public interest content, special interest content, a live ticker with current economic news and stock prices, as well as various databases. The *Financial Times* also offers expert forums and recommendation services in the connection area. Revenues are generated through banner advertising and advertising cooperation, as well as through subscriptions of paid newsletters for customers. These services are also distributed via innovative channels, such as smartphone apps or RSS feeds.

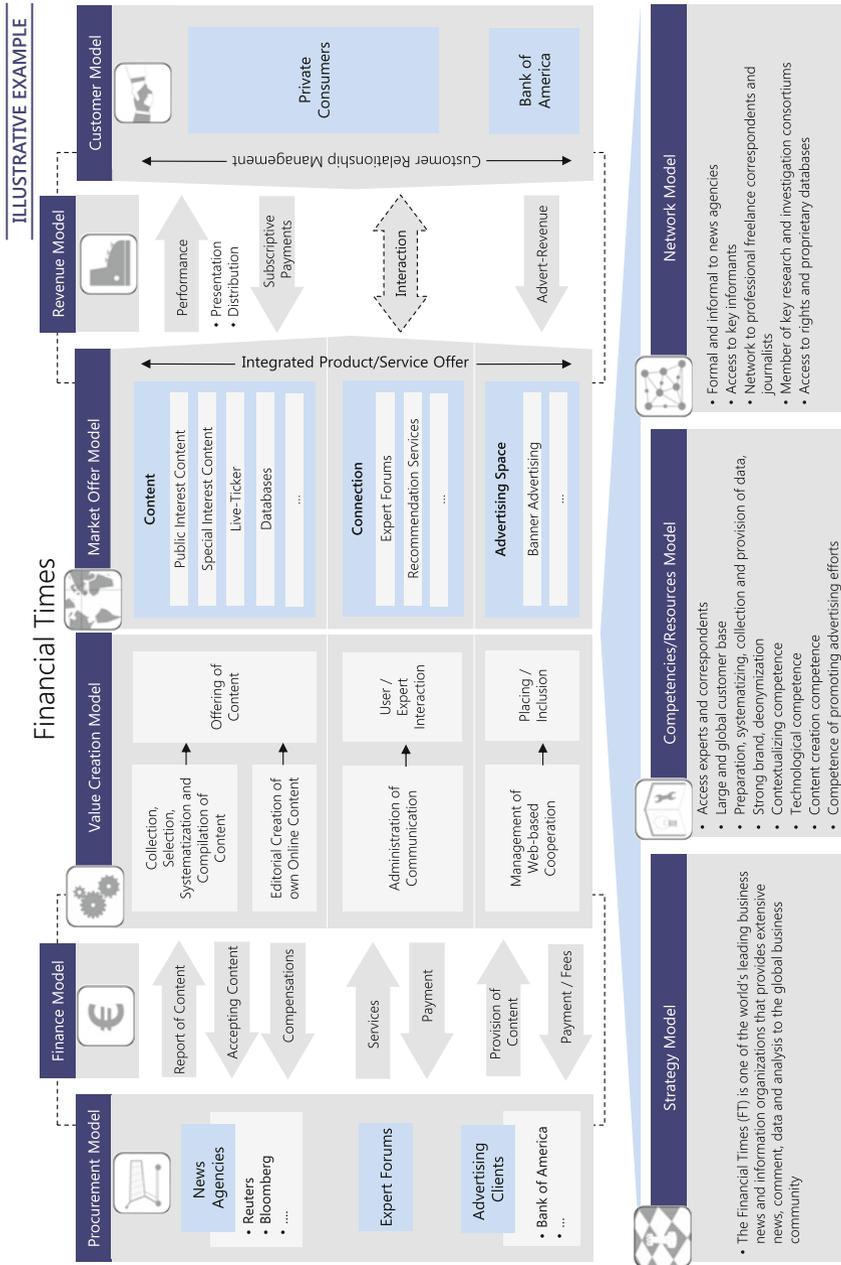


Fig. 4.2 The business model of the Financial Times. *Source* Based on Wirtz (2018b) and own analyses and estimations

- E-Entertainment

The business model type e-entertainment differs from e-information in that providers do not offer informative, but primarily entertaining content. The importance of the Internet as an entertainment medium is confirmed by studies that show that online entertainment is even more popular with teenagers than television in the U.S. market (Turban 2015). E-entertainment includes a broad range of offers and can be divided into subcategories, such as e-games, e-music, e-movies or ee-prints (electronic entertaining prints).

Online games include various forms of games and contents. Here, one can distinguish, for example, between individual or multi-player offers as well as the type of content, for example, adventure, card, sports or classic casino games (Turban 2015; Wirtz 2018b). An example of online games is Americas Cardroom. On the Americas Cardroom website, the provider of various card computer programs offers a platform for virtual card games. The revenue model of Americas Cardroom consists of access fees to the game servers.

The company, PokerStars that is registered in Gibraltar also offers platforms for various online casino games. The PokerStars website offers poker players the opportunity to play against each other in tournaments. There are both play money and real money tables with different magnitude of stakes. The website is available in several languages and contains teaching information about the poker game itself as well as information about the software and the offered tournament types.

The highly profitable poker platform PokerStars generates revenue through advertising and merchandising as well as direct revenues, for example, as a percentage of distributed profit sums or bets. In connection with the legal framework of e-business, it is worth mentioning that the company was forced to cease all real money games in the U.S. market in 2006 due to the Unlawful Internet Gambling Enforcement Act (UIEGA).

The website Movies.com is an example of the business model type e-movies and offers users movie sequences and rankings of current movies, as well as background information about actors and movies.

A very popular example of a platform that offers video content is the YouTube platform. This is also a good example of user-generated content in the context of Web 2.0 and social media, as users can provide private videos on YouTube's servers. These videos are then accessible by keyword search. The main core asset of YouTube is the user community of registered users who want to post videos. The community thereby relies to a great extent on users' self-control. The users can report content that they consider as illegal or inappropriate. YouTube then checks the content and removes it if necessary.

Electronic entertaining prints (ee-prints) includes all readable electronic and entertaining content, ranging from comics in the online edition of the daily newspaper to multimedia content. An example of ee-prints is the portal Worldlibrary.net that offers a comprehensive collection of electronic books (e-books). In addition to classics of literature and entertainment literature, there are also writings by unknown authors from all over the world as well as a collection of nonfiction

books. Another type of e-entertainment is offered by special formats like audio books. In this context, books are read aloud or abridged. Depending on the quality of the speaker and the intended display format, this speech can take the form of an entertaining radio play.

The content-related spectrum of audio books ranges from entertaining literature to text-heavy nonfiction books. Audio books are thereby limited by the fact that visualization possibilities are missing. This can be compensated by combining the audio book offer with other media, such as an accompanying book. Unlike podcasts, audio books are usually also available in stationary retail and designed similar to printed books with regard to their presentation. Carrier media for such editions are usually audio CDs. Audio books for download on the Internet are also usually available as paid content, but sometimes also free of charge, for instance, when their copyright terms allow it due to their age. A major supplier of audio books in the U.S. market audiobooks.com.

While the acquisition of digital audio data is still dominated by illegal online file sharing in peer-to-peer networks, platforms become increasingly established that allow the legal download of copyrighted music. One example is the online platform Napster. The offer of such platforms is often complemented by text contributions about artists and albums. The pioneer with regard to the business model of digital music download with respect to digital rights management is the company Apple with its platform iTunes. The iTunes platform is particularly adapted for the use with the iPhone, iPad and iPod and benefits from the core competencies of Apple in the IT sector.

- E-Infotainment

The separation between informative and entertaining content is not always possible. In light of the increasing amount of data and information, playful learning and the entertaining presentation of information are becoming increasingly popular particularly on the Internet. Especially due to commercial interests of content providers, it is important to make the offer attractive, in order to bind as many users as possible over a longer period to information-oriented websites.

If the users appreciate this format, their increased willingness to pay improves the chance of generating direct revenue. The retention and extension of the user base simultaneously increases the possibilities of generating indirect revenues. In addition, the value of a network increases with the number of users and the usage intensity. These business model types thus represent a mixed or hybrid form between e-information and e-entertainment and are accordingly referred to as “infotainment”.

An example of the business model type infotainment is the website of the television station Fox (Fox.com). Besides program information, Fox.com offers entertainment elements in the form of background stories about popular television series of the channel. A very vivid mix of information and entertainment as well as

the convergence of the media television and Internet is the documentary series “Come Dine with Me”.

While entertainment is the focus of TV series, users can download detailed information on cooking recipes from the programs on the website. In addition to community functions, such as chat and forum as well as an own mailbox, there is also content exclusively offered to registered users that is supposed to lead users to register due to an expected added value.

Another example is the website of the football-oriented print magazine Pro Football Weekly. Profootballweekly.com offers comprehensive information on the U.S. National Football League as well as background information and football related news. In particular, the UPickem contest is very popular. Here, the players can bet on game results. Since these results are based on real sports events, the participants are encouraged to follow the real results on the websites of Pro Football Weekly or to purchase the print edition. This supports the objectives of user retention in terms of usage frequency and usage time.

A group-specific component is particularly attractive in this context. Individuals such as friends or colleagues can form groups and compete against each other. However, the registration in the Pro Football Weekly community as well as the compilation of the teams and bets are associated with a high expenditure of time, which in turn can be interpreted as a lock-in effect.

- E-Education

A further business model subcategory of the content segment is e-education. Two characteristics distinguish e-education from the other content offers. First, education does more than merely present information. Information should be passed on to learners in a didactic manner and be internalized by them as knowledge. Learners should also learn analytical skills, structured thinking and problem-solving competencies. The second distinguishing characteristic refers to awarding titles or certificates based on the performance and the respective specific syllabus.

The aim of e-education is the resource-efficient delivery of educational services via location and time-independent application of electronic networks. Here, the company itself or third parties outside the company can offer network-based education. With regard to the recipients of education and training services, one can distinguish between individual concepts of education and training, as well as concepts designed for a mass audience.

Digital offers and e-education platforms from universities and institutions, such as online-learning.com, are widely spread worldwide. The global e-education industry market had a compound growth rate of 9.2% from 2010 to 2015 (elearningindustry 2016). An example of an e-education offer is the website vu.org, a purely digital university, which provides a study program and a recognized certificate awarded upon successful completion. Participants receive course material either via email or by postal mail.

Especially in light of growing financial restrictions, providers of education services are increasingly forced to supply their services cost-effectively. They are also required to deal with greater competition due to the increasing demand for educational services. E-education is particularly able to cope with these restrictions and challenges due to the technological possibilities of the Internet economy.

On the one hand, the digital educational infrastructure allows developing new training tools and concepts, such as multimedia learning modules for self-controlled learning progress or online exchange processes with teachers and instructors for feedback and improvement of educational processes. On the other hand, existing functions, such as the aggregation and distribution of educational content, can be designed and performed more efficiently (Twigg and Miloff 1998).

Finally, there are some mentionable particularities with regard to the revenue models. In contrast to the other subcategories of the content business model, e-education offers are mainly characterized by direct forms of revenue, especially course fees. Many offers particularly with regard to media competence are supplied by public institutions that are financed by budget funds.

The variety of education offers makes it difficult for public institutions to follow the principle of subsidiarity and not to compete with commercial providers of education offers. Figure 4.3 shows the start page of the e-education provider online-learning.com. The provider offers two different types of courses: instructor-led courses and self-paced courses. While instructor-led courses run at specific times and require registration, self-paced courses can be booked and attended at any time. These courses contain diverse learning material, quizzes and examples.

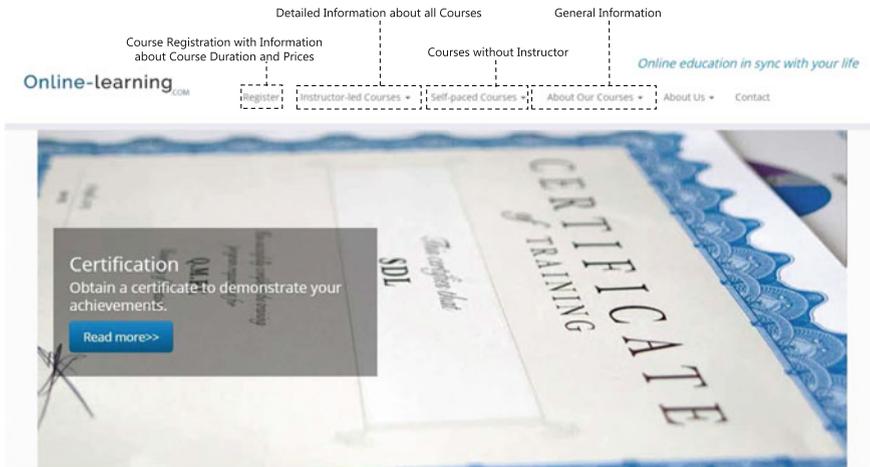


Fig. 4.3 Service offer from online-learning.com. Source Online-Learning (2017)

4.3 Value Chain, Core Assets and Competencies

When presenting the content value chain, we not only discuss relevant aspects of the value chain, but also implicitly address the respective partial models of a business model, in order to comprehensively understand the core activities. Figure 4.4 illustrates the value chain of an ideal-typical content provider.

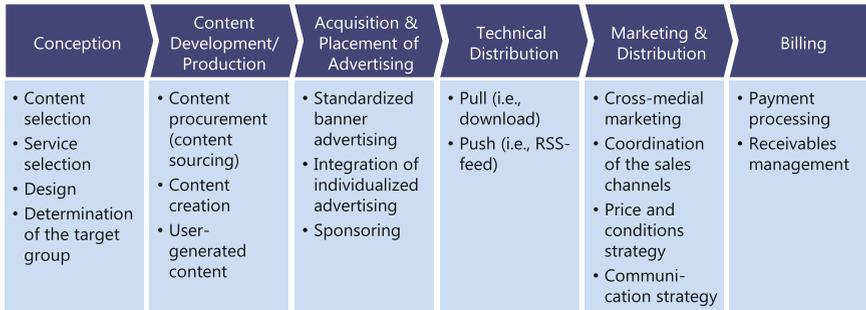


Fig. 4.4 Aggregated value chain of the content business model. *Source* Wirtz (2018b)

The beginning of the value chain is characterized by reflections on the conception or design of the service offered. In this connection, a content provider must decide which content and services shall be offered in which format to what type of customer (Wirtz 2015b). A supplier of general information can, for example, categorize provided services as free content, pay-per-view-content or paid subscription content and thus diversify the range of services (Prasad et al. 2003).

These different forms of usage can still be enriched with supplementary services, provided that the customer can clearly identify the added value of the premium offer for each form of usage (Choi et al. 2015). In addition to the considerations in connection with the service portfolio and service differentiation, the content provider needs to decide on the form of presentation for each type of content (format design).

For instance, a specific online learning platform for students will, for didactic reasons, be designed differently than a website for interested voters providing general information on political parties and its members. Moreover, the available broadband capacities enable the use of different formats. Especially infotainment providers complement purely text-based formats with audio and video files to create a multimedia environment that can attract more users.

The selected online content for the offers can either be purchased on the market or produced by the company itself. The purchase of general interest content takes place, to a great extent, over news agencies like Reuters. These news agencies usually offer the content to the purchasers and users in digital form, so that they can easily integrate it into their online offer without technical problems. An example in this connection is the video offer by the New York Times.

The creation of content by the content provider can increasingly be observed in the context of special interest offers. The financial platform Onvista, for example, provides general financial market information and produces videos with regard to selected stock topics. Furthermore, the Web 2.0 and social media have significantly changed the production of content. Examples of this are the various forms of opinion formation in the context of customer recommendations at Amazon or the contributions of users to the online encyclopedia Wikipedia. These forms of content are called user-generated content (Wirtz and Ullrich 2008). In this connection, a content provider needs to pay special attention to questions of copyright and exploitation rights with regard to the information or content provided by the users.

Depending on the content provider's selected service and price differentiation that influences direct revenues, content providers often have to deal with indirect revenues from advertising or sponsoring. In this context, the management needs to pay special attention that the paying users are not exposed to too much advertising in order to justify the premium offer (Prasad et al. 2003). In doing so, content providers can choose from a variety of different advertising formats (Turban 2015). For example, they can select standardized formats that are displayed depending on the type of user (e.g., banners, buttons, pop-ups) or designed individually, for instance, in the form of flash animations integrated in the content.

In the connection with user-generated content, platform providers can, to a great extent, only generate indirect revenues. The video platform YouTube is an example where the advertisement is fine-tuned to the video in order to create the highest possible fit between the current interest of the users and their consumption desires. Usually, blogs also do not generate direct revenues through payments by the users, but instead are financed indirectly through advertising revenues. Other offers in the context of user-generated content are free of ads and financed instead through donations, such as the online encyclopedia Wikipedia. Here, it is important to note that first-copy costs are crucial in connection with digital content and the costs of reproduction and distribution are only marginal.

The distribution of content can generally take place in two ways. In the first case, the user actively accesses the content (pull) by retrieving it directly from the Internet to use it online or offline. This also includes the mere viewing of content on the platform of the content provider. In the second case, the content provider decides when the content is made available to the customer. The provider usually pushes (push) the content to the users. Generally, the users must have logged into this service or have given their approval to receive this content. In this context, it becomes apparent that the Web 2.0 or social media and the accompanying changes in the Internet have a significant impact on content distribution.

While the content mainly used to be transferred in a B2C environment, one can now increasingly observe C2C content transfers. In this connection, the content can be transferred via private networks (VPN) or directly between mobile devices. It therefore makes sense for content providers to provide several different distribution channels and include C2C distribution (Feng et al. 2009) in order to exploit further marketing potential.

After securing the service offer and the technical requirements of content distribution, marketing and sales ultimately need to realize the designed service and

revenue models. The holistic understanding of marketing that underlies these steps contains all marketing-oriented activities of a company, as well as the consideration of the entire marketing apparatus.

In addition to the usual online marketing activities, companies can also carry out cross-media and offline activities in order to gain attention from potential users. The New York Times, for instance, advertises its content offer nytimes.com not only in the news subscriptions of Google News, but also particularly on private TV broadcasters in the context of special program topics. In this connection, the distribution also needs to be managed. This particularly includes the coordination of distribution channels, the pricing and conditions policy, as well as the communications policy in order to ultimately acquire potential customers.

The last component of value creation that directly emerges from distribution refers to billing. This includes aspects with regard to the payment system and receivables management of the acquired license agreements. Here, several forms of payment are conceivable. While a credit card is commonly used in connection with pay-per view or PayPal, a content provider can also offer its subscribing customers payment through billing or direct debit. This can reduce the fairly high transaction costs of credit card payments for content providers, particularly in the case of a small payment amounts (Turban 2015).

After having presented the value chain of an ideal content provider, the following addresses the core assets and core competencies, which are important requirements for content providers to successfully and sustainably survive in the highly competitive market.

- Core Assets and Competencies

The major core assets of content providers include their offered content and their exploitation rights, as well as the associated brands. In relation to self-created content, the responsible employees can also be regarded as core asset. Moreover, particularly networks are also core assets of content providers. According to the definition of the content business model type, the content is an essential component of the value creation and service offer.

In the case of general interest provider, the ability to combine own content and purchased content is a core asset. Content purchased from news agencies can generally not be understood as a core asset, because competing providers can also acquire this content. The use of synergy effects by means of purchased content is also understood as a core asset in the case of general interest providers. For instance, different multimedia content is shared between usatoday.com and STUDIO Gannett and the different Internet offers of the Random House publishing group increasingly draws on purchased content.

In the case of special interest providers, by contrast, the self-created content and related exploitation rights are a core asset. Special interest providers can resell these rights to other content providers or establish a unique selling proposition for themselves. In context of the web 2.0 or social media, the associated user-generated content is also a core asset. Without the active participation of the numerous users worldwide, offers like YouTube would not exist.

A core asset that is usually even more important than the actual content is the content provider's brands. In this context, a brand has different meanings. Here, professional brand management can create preferences for the own service offer and distinguish it from competing offers (Park et al. 1986). Brands represent a value proposition and are associated with certain, mostly positive product characteristics by the customers.

In the context of information services, source credibility is an important product feature to set oneself apart from competitors. Their significance is enforced by the medium Internet, in which contracting partners do not interact face-to-face but only virtually (Jevons and Gabbott 2000). A good reputation has a positive effect on the value of the created content, which in turn can be understood as a core asset.

Employees are know-how carriers and often have specific skills that distinguish a company from its competitors. The combination of individual skills within a team can improve service delivery and thus yield a competitive advantage (Manville and Ober 2003). Here, the content creation in the editorial sense and the selection of content, as well as the focusing of the employees within the scope of online learning offers is particularly relevant. For instance, if a renowned professor is willing to lecture in a virtual university, this can be also understood as a core asset.

Networks serve content providers particularly for information procurement in order to acquire input for the creation of content. Networks not only require intensive care and often personal commitment, they are also grown historically and therefore difficult to imitate. In addition, the lack of potential network partners limits the imitation opportunities. Networks are also a core asset, provided that they are highly important for service provision and give content providers a differentiation or cost advantage (Wirtz 2015b).

The use of core assets requires core competencies. Content providers' core competencies particularly refer to content sourcing, content creation, product development and distribution. Technology competence is only of minor importance to content providers and may be purchased on the market. Hence, technology competence is not a core asset.

Content sourcing competence describes the ability to gain high-quality information and entertainment content, as well as authors or producers as input for content production. Competitive advantages particularly arise when exclusive content can be procured. This pertains especially to providers of special interest content, because they can achieve greater differentiation from competitors. In this context, the ability is helpful to connect a large number of users to a network and provide a platform for people or companies, especially when the users contribute content (user-generated content).

Successfully creating online content requires a strong content creation capability. While here different sub-competencies can be distinguished, the trend and refinement competence are particularly important to content providers on the Internet. Trend competence represents the ability to pick up on social developments at an early stage and convey new content to the interested recipient. However, the transformation of general information into high-quality informative or entertaining online products, such as podcasts or blogs, is referred to as refinement competence.

Overall, these sub-competencies are highly media, genre and format-specific because the factors that make content attractive from the audience’s point of view are different, depending on the purpose of media use and the target group. For instance, the production of informative content requires the use of other skills than the production of e-education materials.

The content creation competence is strongly influenced by the implicit knowledge of the employees and by organization-specific routines. For outsiders and especially competitors, these mechanisms of action are hidden and difficult to understand, thus making this competence difficult to substitute or replace.

The product development competence contributes to an advantageous positioning on the recipient and advertising markets. It consists of the ability to develop promising formats and to position them in the relevant markets. In addition, the product development competence requires a great deal of knowledge about specific market segments and in part rests upon the trend competence of the content provider. The specific knowledge, in turn, is only available in terms of implicit knowledge in the company and is therefore not transferable.

A balanced product portfolio is of considerable importance in the sense of a business model that is intended to generate sustainable and steady income streams. The distribution competence includes the cross-media exploitation competence and the ability to actively integrate a C2C distribution into the content business model. It generally refers to the ability to the timely delivery of content in the desired quantity and through the appropriate channel for the recipient. On the one hand, content often needs to be adapted to the respective target group in a channel-specific manner. On the other hand, content providers in the context of e-business also have to be able to control the technology and logistics of the distribution channels. Figure 4.5 summarizes the core assets and core competencies of content providers.

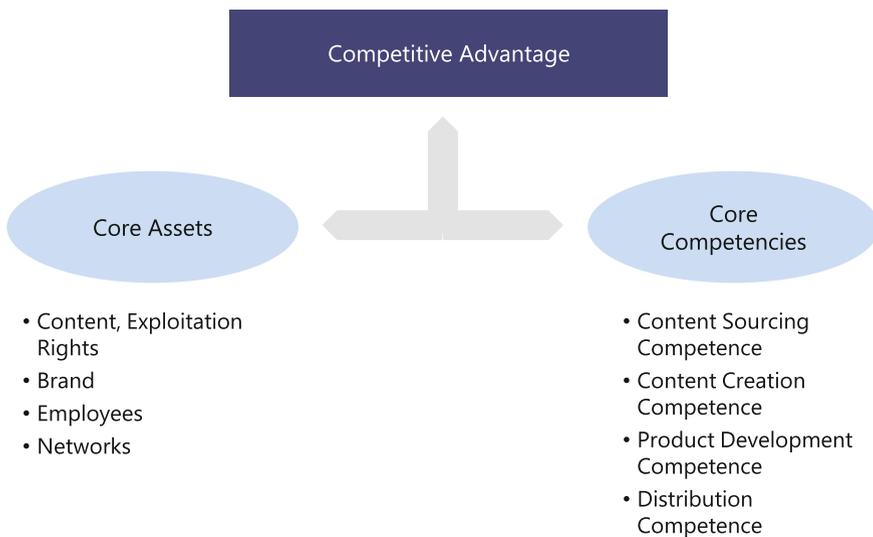


Fig. 4.5 Core assets and competencies of the content provider. *Source* Wirtz (2018b)

4.4 Case Study: Wikipedia

The following section describes the business model of Wikipedia as an example of the content model. Wikipedia is a non-commercial Internet-based online encyclopedia that provides free and freely accessible information. As a knowledge platform focusing on collaborative information exchange, Wikipedia belongs to the content business model and the business model type of e-information.

The online encyclopedia Wikipedia was founded in January 2001. It is based on the Internet project “Nupedia” of Jimmy Wales and Larry Sanger, which was realized by the Bomis Company (Wikipedia 2017c). Originally, Wikipedia was only available in English language, but in March 2001 versions were also available in other languages. Meanwhile Wikipedia is among the top 50 of the most visited websites worldwide. In April 2017, it consisted of more than 45 million articles in around 300 different languages (Wikipedia 2017c).

Wikipedia is formally managed by the non-commercial Wikimedia Foundation Inc., which was founded by Jimmy Wales in June 2003. The Wikimedia Foundation is headquartered in San Francisco, USA and is dedicated to the promotion of free knowledge. In addition to the foundation, there are also independent Wikimedia associations in many countries, which are closely connected with the Wikimedia Foundation (Wikimedia Foundation Inc. 2017a). The Wikimedia Foundation employs around 280 people, as well as additional, non-foundation personnel in the individual, globally represented Wikimedia associations.

According to their own statements, the free and collaborative encyclopedia is financed almost exclusively by donations. Most of these are donations from private persons and companies. The Wikimedia Foundation also receives further support in the form of money and material contributions from other foundations (Wikipedia 2017d).

In addition to the free encyclopedia of Wikipedia, the Wikimedia Foundation also runs other projects: Wiktionary (online dictionary), Wikibooks (online library with free educational books), Wikiquote (online collection of quotations), Wikisource (online collection of free and open content texts), Wikispecies (online content catalog of all species), Wikimedia Commons (online database for images, videos, music and spoken texts), Wikinews (online news source), Wikivoyage (online travel guide) Wikidata (online data collection) and Wikiversity (online learning, teaching and research platform) (Wikimedia Foundation Inc. 2017b). In May 2017, Wikipedia had more than 2.4 million “wikipedians” (authors with more than ten contributions) worldwide (Wikipedia 2017c).

The Wikipedia website has a simple and clear user interface with different functions. These are shown by way of example in Fig. 4.6. There is a simple search function to quickly and comfortably find and provide the information desired. Furthermore, a login area offers partially personalized applications. In addition, there is a discussion forum, and the possibility to edit articles anonymously or via the login area.

Article Discussion

Article Talk

Not logged in | Task | Contributions | Create account | Log out

Search Wikipedia

Read | Edit | View history

Q

Login and Search Function

Possibility to Edit

Electronic business

From Wikipedia, the free encyclopedia

This article **provides insufficient context for those unfamiliar with the subject**. Please help improve the article with a good introductory style. (May 2011) *(Learn how and when to remove this template message)*

Electronic Business or **e-business** is a term which can be used for any kind of business or commercial transaction that includes sharing information across the internet. Commerce constitutes the exchange of products and services between businesses, groups and individuals and can be seen as one of the essential activities of any business. Electronic commerce focuses on the use of ICT to enable the external activities and relationships of the business with individuals, groups and other businesses or e-business refers to business with help of internet i.e. doing business with the help of internet network.^[1] The term "e-business" was coined by IBM's marketing and internet team in 1996.^{[2][3]}

Business administration

Management of a business	[show]
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Corporate titles	[show]
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Types of management	[show]
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 - Revenue model
 - E-commerce
- Concerns
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Fig. 4.6 Functions of Wikipedia. Source Wikipedia (2017a)

In addition, an author/version mode allows to trace back which users have created an article or when certain parts of the article have been edited or submitted. Furthermore, the user can always access the desired article in other languages and use different tools, such as a PDF creation feature. Currently, the content of Wikipedia particularly comprises text content, images, tables and drawings is supposed to be complemented by animations and videos in the future.

Wikipedia is technologically based on the functioning of a wiki system. This is a hypertext-based content management system for websites, which allows individuals to easily receive and actively participate in the text design through its high user friendliness. In addition, a version control enables to keep changes transparent and thus reversible (Wikipedia 2017c).

Unlike the Google offer, which is also free, Wikipedia does not have a commercial, revenue-based business model. In contrast to the concept of Wikipedia, Google generates billions of dollars in revenue and profits from the sale of search results that are needed for context-intensive online advertising. Wikipedia can be understood as a counter model to the commercial primacy of the disposition of knowledge and information, which is particularly illustrated by its political and social significance.

The business model of Wikipedia is based on the idea of cooperative information generation by the user and is primarily attributed to the pure content area, although one can discern certain intra-connection characteristics in the integrated community tools and discussion pages.

Wikipedia mainly focuses on the informational and educational aspects of its content. Accordingly, the business model type of Wikipedia belongs to the business model type of e-information. E-information places special emphasis on the informational, problem-solving-oriented content. As an information provider, Wikipedia does not focus on a specific subject area, but primarily acts as a free knowledge-based navigator across a wide range of areas.

As shown in the simplified business model of Wikipedia in Fig. 4.7, the fundamental objective of the company is to offer users information easily and conveniently in an encyclopedic form and free of charge. In addition, users not only have the opportunity to receive but also to edit this information. The content of the online encyclopedia is collectively created by a voluntary and honorary author community and made available on the website of Wikipedia.

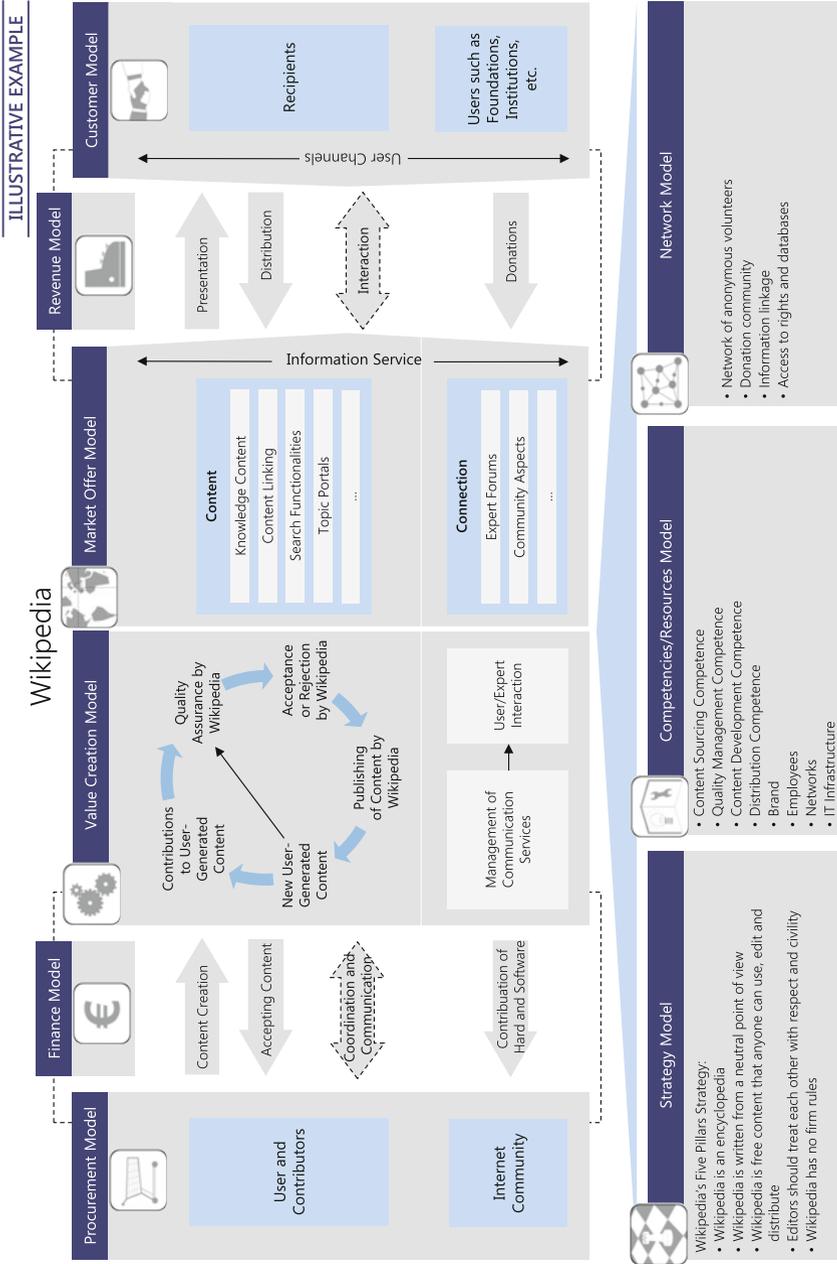


Fig. 4.7 The business model of Wikipedia. *Source* Based on Wirtz (2010b, 2018b) and own analyses and estimations

This added value can serve as an example for user-generated content in the context of Web 2.0 or social media. In this case, Wikipedia is solely responsible for recording the contributions as well as providing the hardware and software. The coordination of communication within the community or the discussion forums is mutually realized and primarily shaped by user interaction. Within the revenue and distribution model, the financing is primarily based on donations from private and institutional sources.

The core assets of Wikipedia include the easy accessibility of the information and the technological infrastructure of the project. The website of Wikipedia is particularly characterized by ease of use and a user-friendly user interface. This allows to change the text directly in the web browser, without prior technical knowledge. In addition, one of the core assets of Wikipedia is the high level of awareness and information leadership in the field of knowledge. This is associated with an extensive collective accumulation of knowledge and requires a high level of activity of the intrinsically motivated authorship.

Another core asset is the clear scalability of the work processes outside the community and the associated low personnel costs within the foundation. The core competence of Wikipedia especially refers to its content sourcing competence. This includes the ability to gain high-quality information and entertainment content, as well as authors or producers as input for content production. Figure 4.8 summarizes the strategic orientation of the company, as well as its business model, service offer and success factors.

	Aspects
Strategy	<ul style="list-style-type: none"> • Provision of free online content in the area of online encyclopedias • Information leadership in the knowledge sector
Business Model	<ul style="list-style-type: none"> • Content aspect: collection, selection, systematization, compilation and provision of knowledge in form of a freely accessible and advertisement-free information portal • Business model type: E-information without focus on one specific area of information
Service Offer	<ul style="list-style-type: none"> • Extensive pool of knowledge • Extended content through other Wiki-tools • Integration with other Wiki-tools • Community Features
Success Factors	<ul style="list-style-type: none"> • Non-profit, free-of-ads and free-of-charge encyclopedia • Activity of intrinsically motivated authors • Well-known brand • Large customer base, high number of users • Community aspect • Collected knowledge of a worldwide collective authorship

Fig. 4.8 Strategic orientation of Wikipedia. Source Wirtz (2018b)