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# MONETIZING BLOGS: REVENUE STREAMS OF INDIVIDUAL BLOGS

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## Abstract

The growing popularity of Web 2.0 applications and social computing has fuelled many interesting phenomena surrounding these technologies. This study examines the value creating potential of blogging – one of the most popular Web 2.0 applications, from an individual blogger's perspective. Drawing from previous research and recent practical developments, different revenue streams that bloggers can employ are identified. An empirical analysis of a selected sample of bloggers is used to assess how these revenue streams are actually used in practice. Our findings provide initial insights regarding a viable revenue model for blogging and also indicate the relative popularity and prevalence of the different revenue streams among blogs. In particular it is found that advertising is the most commonly employed means of realizing value in the form of revenues from blogging, with different forms of advertisements and different techniques to place the advertisements being used. The findings from this study can be extended to other domains of social computing and be used to formulate follow on research questions for future analysis.

*Keywords: Blogging, Web 2.0 applications, revenue streams, blog advertising.*

# 1 Introduction

The internet is undergoing a dramatic evolution driven by a collection of applications or technologies popularly labelled as Web 2.0 or technologies associated with social computing [Parameswaran and Whinston 2007]. These Web 2.0 technologies enable social interaction and collective action through the generation and exchange of rich multimedia content by individuals, thus empowering the individual end-user. This shift towards social computing has led to the evolution of many interesting phenomena surrounding these applications and their users. It has resulted in enhanced and active communication and exchanges among online communities, faster diffusion of news and ideas, an alternative form of journalism, and created the potential for opening up novel business opportunities for individuals and organizations. Accordingly, there has been a call for research on various aspects of social computing or Web 2.0 applications such as the incentives and motivation behind creating online content, means of using these applications as a marketing channel and appropriating externality effects from them, the determinants of group and individual behaviour within social networks, how companies and organizations can generate benefit from product-centric social networks, or how social computing applications can be used to influence individuals' and societies' behaviours and spread social causes [Parameswaran and Whinston 2007].

Blogs are one of the most prominent examples of Web 2.0 technologies that allow the creation of user-generated content. Blogs, or weblogs, started as diary-like webpages, typically consisting of fairly brief posts presented and archived in reverse-chronological order [Schiano et al. 2004], and have over time evolved into content management systems (CMS) because they "serve as a container, in effect, and allow for the entry, storage, archiving, retrieval, and reporting of data" [Lahm 2006]. Among the various Web 2.0 technologies, blogs have been identified as a major topic for research and that offer an "extraordinarily fertile terrain for the social sciences" [Drezner and Farrell 2008]. Accordingly, they have generated significant research and practical interest. Previous research has focused on various aspects of blogging such as blogs as computer mediated communication mediums [Du and Wagner 2006, Rosenbloom 2004, Tan et al. 2005], blogs as a new form of journalism [Gillmor 2006], and blogging as a social activity [Nardi et al. 2004], culture's influences on blogging [Shang et al. 2008], and the evolving structure of the blogosphere [Guo et al. 2009]. While most of this research focuses on the social and communication aspects of blogging from an individuals' perspective, there is another growing stream of research which analyzes blogging in an organizational context, particularly since worldwide surveys of organizations indicate that firms have not only adopted and started using many Web 2.0 technologies, but also gaining measurable business benefits from using them [Bughin and Manyika 2007, Bughin et al. 2008, Bughin et al. 2009]. Hence, research started examining the corporate blogging strategies of Fortune 500 companies [Lee et al. 2006], employee blogging within organizations [Efimova and Grudin 2007], and means of building communities through corporate blogging [Jackson et al. 2007].

Notably, so far relatively little attention has been paid on the value generating potential of blogging, particularly from individual bloggers' perspective although reports indicate that blogging has evolved from being a merely self-indulgent personal hobby to a flourishing business [Sloan and Kaihla 2006], and successful bloggers make up to 122,222 US dollars on the average from advertising alone [Technorati 2009]. There are many examples of successful bloggers who have given up their day jobs to blog full time, and convert their blogs into successful enterprises. For example, TechCrunch started in May 2005 as a single person endeavour, a blog providing technology news and analysis written by Michael Arrington. Since then it has evolved into a web publication system affiliated with several other websites, has a Technorati rank of 2, and has reportedly earned an estimated 2.4 million US dollars in revenue in 2007 [Vogelstein 2007]. Another such example is that of Darren Rowse, who pursues blogging as a full time profession, and his two personal blogs reportedly generated up to 250,000 US dollars in advertising income in 2007 [Spors 2008]. There are many other examples of

bloggers who have managed to make the transformation from blogging as a hobby to blogging as a business enterprise.

We identify the various revenue streams that can be possibly realized from blogging, and how these revenue streams are distributed across the blogosphere, and ways towards realizing these. In order to do this, we select a small sample of individual blogs and analyze them in depth to understand the various revenue generating mechanisms. The aim of this research is to get a better understanding of where value lies within the blogosphere and how this value can be realized and appropriated by individuals.

The remaining sections of this paper are organized as follows: in the next section we provide a background on blogging and its business implications, thereafter we discuss the actual research and data collection method. This is followed by an analysis and discussion of findings. We conclude with underlining the theoretical and practical implications of this study.

## 2 Background

### 2.1 Evolution of Blogging

A blog or weblog is defined as a web page with minimal to no external editing, providing on-line commentary, periodically updated and presented in reverse chronological order, with hyperlinks to other online sources [Drezner and Farrell 2008]. Blogs vary widely in nature and content [Nardi et al. 2004]. Blogs can function as personal diaries, technical advice columns, sports chat, celebrity gossip, fashion and lifestyle advice, political commentary, or all of the above. Blogging as an activity has undergone a significant transformation over time. It started off primarily as a voluntary, part-time activity [Carl 2003], but has since then evolved into successful online enterprises for many bloggers.

The blogosphere – a term used to describe the entire network of blogs - has grown at an astronomical rate. In 1999, the number of blogs were estimated to be less than 50 [Mead 2000], and by 2008, Technorati – a popular search engine for blogs - was indexing about 113 million blogs. The reason behind the significant growth in the number of blogs is the low barriers of entry. For an individual, setting up and maintaining a blog is a relatively easy endeavour, that costs near to nothing in terms of money, and requires little in terms of technical skills. There are several technological platforms (WordPress.com, Blogger.com, LiveJournal.com) that enable anyone to set up a blog within minutes. Accordingly, blogging enjoys the "uneconomies of scale" [Sloan and Kaihla 2006] meaning that they are cheap to create and maintain by a single or small group of bloggers, but enjoy the ever-growing reach of the Internet. The appeal for blogging lies in the fact that it gives a public voice to individuals, and a platform for sharing their knowledge (technical, political, scientific), expressing their opinions, and an outlet for their creative skills (writing, photography, crafting, cooking, etc.). Moreover, bloggers can react quickly to current happenings and hasten the speed at which news and gossip spread through the Internet through posting and re-posting.

Given these characteristics of blogging, it has emerged as a significant contender to mainstream media and journalism. The growing influence of blogs is also reflected by the large number of mainstream media corporations, political institutions, technology companies and other organizations who have included blogging as one of the means of reaching out to their customers. These organizations either host their own in-house blogs or hire individual bloggers to write for them. For example the New York Times hosts a number of different blogs<sup>1</sup> on a wide variety of topics such as news and politics, business and finance, travel, sport, lifestyle, family, health and learning, science and environment, etc. Similarly prominent technology companies like Google<sup>2</sup> and Microsoft<sup>3</sup> have their own blogs to write

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<sup>1</sup> NY Times Blog directory: <http://www.nytimes.com/interactive/blogs/directory.html>

<sup>2</sup> The Official Google Blog: <http://googleblog.blogspot.com/>

<sup>3</sup> The Official Microsoft Blog: [http://blogs.technet.com/b/microsoft\\_blog/](http://blogs.technet.com/b/microsoft_blog/)

about their perspectives regarding various technological developments and current news items on other topics as well.

The above developments in the field of blogging have resulted in companies and advertisers taking notice of the phenomenon of blogging, and simultaneously bloggers seeking out various strategies for monetizing their blogs. Accordingly, there have been attempts towards examining the potential of blogging as means for influencing consumer decisions and the reputation of companies [Huck et al. 2010]. Advertisers are beginning to realise the personal touch that bloggers can provide and the unique power that they yield over their audiences [Sloan and Kaihla 2006]. In addition to advertising, other avenues for realizing value from the content created in the process of blogging have been realized. For instance, some bloggers have been able to negotiate book deals, where the subject of the book is closely aligned to the overall topic of the blog. Bloggers can get paid for writing on other blogs or online/ print magazines and journals. Other forms of monetizing blogs include getting paid to do consulting activities, speaking at various events, and getting donations from readers of the blog. A quick review of some popular blogs indicates that almost all of them have employed some form of revenue-generating scheme in/through their blogs. Further, the *State of the Blogosphere 2010 Report* [Technorati 2010] indicates that monetizing blogs is one of the top concerns of bloggers who responded to the survey carried out by Technorati.

Despite the ongoing developments in the blogosphere, there is a scarcity of academic and empirical research targeted towards making sense of these developments, and in particular understanding the economic potential of content generated by individual users/bloggers using Web 2.0 applications and means of realizing this potential. Our research intends to address this gap by identifying possible revenue streams from blogging, in particular from the individual bloggers perspective and analyzing popular blogs to understand the distribution of the different revenue streams that can be currently observed among bloggers/ blogs.

## 2.2 Revenue streams from blogging

The blogosphere provides bloggers with the possibility of realizing different revenue streams from their blogs and there has been some research indicating that advertising in blogs is a reality (for example, Zhu and Tan [2007] investigate the effectiveness of advertising in blogs). However, advertising is only one of the many revenue streams that bloggers can realize. Guo [2008] did an analysis of the different stakeholders of blogging and the different revenue generating mechanisms, however, the focus of his work was not on individual bloggers per se, but rather on the whole blogging ecosystem that also comprises the blog hosting service providers, blogging tools and utility providers, marketers, blog aggregation service providers, etc. in addition to bloggers. We also draw from previous research on internet business models [Eisenmann 2002], related research on social media [e.g., Leitner and Grechenig 2008] and our analysis of different blogs and current developments in the blogosphere to identify the different value appropriating mechanisms that bloggers can use. Outlined below are some of the most common revenue streams that are currently in place and are used by many bloggers in order to make money from their blogs.

- **Advertising:** Advertising is the most popular form of revenue generation in online platforms such as social networks [Leitner and Grechenig 2008], and also in blogs. Advertising in blogs can take on various forms. The most traditional form of online advertising is where blogs host advertisements, and get paid on a per-click basis. In this model, the bloggers can sell advertisement space (display ads) on their blogs to different marketers or companies, and the advertisement does not necessarily have to be related to the content of the blog. The amount of money made from this model will of course depend on the popularity of the blog and the blog traffic. The second mode of display advertising is through an online advertising network. These networks essentially act like brokers, where they get advertisements from their clients (sellers of different products and services) and place these advertisements on blogs which are a part of their network. They charge a certain percentage of the advertisement revenue as their own fee and pass on the remainder to the bloggers.

Blogads<sup>4</sup> and Google AdSense<sup>5</sup> are examples of this kind of advertising network. The advertisements placed on the blogs are highly contextual, meaning that the kind of product or service advertised on a blog is determined by the overall genre of the blog and also by the contents of a particular blog topic, or search text fields. The payment model followed can be pay-per-impression, pay-per-click or pay-per-conversion. This mode of blog advertising is gaining increasing popularity with bloggers, as it addresses some of the challenges of the existing disconnect between advertisers and bloggers [Guo 2008] by allowing them to find each other. Another form of advertising that is being incorporated into blogs is that of search advertisements. In search advertising, advertisements are placed on the blog based on the results of the search queries that lead the user to arrive on the blog. Therefore, search advertisements are again tailored to the contents / keywords of the blog.

- ***Paid Content and Affiliate Marketing:*** Increasingly other forms of marketing are being incorporated into blogs – these include paid content and affiliate marketing [Guo 2008]. In the paid content model, bloggers get paid to write on a particular topic or about a particular product. This form of advertising emulates the word-of mouth marketing model, where bloggers are given products to review and write about, and relies on factors such as the ability of the blogger to write convincingly, their influence and popularity among their readers. Paid contents are much more popular in the blogosphere than on the internet in general partly because blogs target specific audience and niche market [Guo 2008]. Again, there are online marketplace like services such as ReviewMe<sup>6</sup> and PayPerPost<sup>7</sup> that allow bloggers and advertisers to signup, and bloggers can choose products of interest to blog about and get paid for doing so, and advertisers can choose appropriate bloggers to review and write about their products. These marketplace-like services are particularly facilitated by different blog tracking tools and services that provided listing and rankings of blogs such as Technorati and social bookmarking tools such as Delicious<sup>8</sup>, and various other related services. Affiliate marketing is a slightly different form of word-of mouth marketing, where a blogger incorporates links to other websites and can get paid for sending traffic to that website. This is becoming an increasingly attractive revenue mechanism for bloggers because links can be placed unobtrusively by developing a coherent blogpost around various links.
- ***Donations:*** Asking for donations is a common method of monetizing among different kinds of social media applications (e.g., Wikipedia) including blogging. Many blogs offer the possibility of donating money to them. While some blogs purely rely on this revenue stream, many offer it side by side with the other income sources. The rationale behind seeking donations is that some readers are likely to be willing to contribute money for viewing/reading content that they enjoy. The pitch used by bloggers seeking donation is that the money received through donation would partly cover the cost associated with maintaining the blog and generating contents for it.
- ***Paid Subscription:*** Blogs using this revenue stream, display certain content of the blog only to readers who paid a fee first. While it is not very common in the blogosphere to subscribe to a content for a fee [Guo, 2008], it is especially suitable for blogs that offer very valuable information or that present certain data in a very sophisticated way. The target audience of these kinds of blogs is smaller and much more specific. Some blogs also offer the reader a paid membership, with the benefit of not seeing the advertisements anymore.
- ***Consulting:*** This is an emerging revenue stream within blogs. Consulting, in the context of blogging can consist of several supportive activities [Technorati 2009]. These comprise giving speeches on topics that one blogs about (such as a political blogger could be asked to give a speech in pre-election parties), assist others with setting up new blogs, or give speeches and presentations on strategies for increasing the popularity of blogs and holding workshops on a specific topic which is attended by paying registrants (such as digital photography workshop). However, in order

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<sup>4</sup> <http://web.blogads.com/>

<sup>5</sup> <https://www.google.com/adsense/>

<sup>6</sup> <http://www.reviewme.com/>

<sup>7</sup> <https://payperpost.com/>

<sup>8</sup> <http://www.delicious.com/>

to be able to get consulting jobs, the blogger would have to establish his/her popularity and success as blogger, or as being an authority on a particular topic.

- ***Journalistic work for other media:*** This can include the whole range of activities such as writing articles for the traditional print media to broadcast media appearance, giving interviews or appearing in a radio show [Technorati 2009]. In addition to the above, an analysis of many blogs indicates that the bloggers were able to get deals signed for writing books on topics that are closely related with the contents of their blog. By making publishing simpler and more accessible, blogging therefore makes it possible for many individuals to enter the professional or mainstream journalism even without having previous professional experience in these domains.

The following section describes the method of analysis to assess the extent to which the above means of monetizing blogs are actually exercised by bloggers.

### 3 Research Method

In order to obtain a sample of blogs for further analysis, we started with Technorati to identify the most popular blogs. Technorati is a blog tracking website that lists blogs based on their popularity and authority. However, after further analysis of the blogs on Technorati's top 100 list, it was found that most of the blogs were owned by companies, rather than being individually owned. Company-run blogs can operate on a different scale by investing more resources into the blog, such as by employing professional bloggers, or having more contacts for generating advertising revenue and blog readership, investing in website design and so on. Therefore, in order to remove this bias, we decided to only focus on individual blogs for our analysis.

The few individual blogs that we identified through Technorati's list served as the initial starting point for searching other blogs. We then used the snowball sampling method to identify other blogs for analysis. To do so, we checked the initially identified blogs for links to other blogs that are usually displayed in the blogroll. Using this technique, we selected 54 blogs that met our requirements for further analysis. For a blog to be selected for analysis, it had to be an individual blog, and at the same time it had to be active (last post made, frequency of posts and so on). The number of views (where available) that a blog received were taken into account, in order to increase the relevance of the results. These 54 blogs were further analyzed with the aim of identifying the different revenues streams outlined in the previous section. The analysis was carried out in November 2010.

Each blog was individually analyzed and the analysis consisted of two steps. The first step was a visual analysis, where we examined the blog by browsing through it and trying to determine the revenue streams that could be observed in the blog. Only the visible revenue streams were taken into consideration. For instance, if a particular blogpost seemed to be promoting a product, but there was no indication that it was a paid post, then *paid content* was not counted as one of the revenue streams for the blog. Similarly, if a blogger e.g. was paid for giving speeches, but his blog did not indicate that, *consulting* was not counted as a revenue stream. To determine the present sources of revenue, not only the main page of the blog, but also explanatory pages (such as the "About" page), were taken into account. To identify *affiliate marketing links*, we examined the homepage of the blog for advertising-like crosslinks to affiliate partners, and also checked through the last five blogposts for links to possible affiliate partners. However, it is difficult to categorically say whether links embedded within blogposts are actually affiliate marketing links.

The second step of our analysis consisted of calculating the average number of posts per day (PPD) and the average number of comments per post (CPP). In order to control the scope of this analysis, the last 10 to 15 posts of a blog were taken into account, since it was not possible to consider every post from the creation of the blog till date. However, this was a representative choice that also indicated the currency of a blog which is important from an advertising perspective. These two statistics (PPD and CPP) provide an indication of the activity of the blog owner and the readers of a blog.

## 4 Data Analysis

### 4.1 Distribution of Revenue Streams

Out of the 54 blogs analyzed, it was found that 47 blogs employed one or more of the listed revenue mechanisms, with only 7 blogs showing no visible revenue streams. The left part of Figure 1 provides a distribution of the different revenue streams within blogs. Advertisement is the most prevalent form of monetizing blogs, with more than half of the analyzed blogs (28) having some form of blog advertising. While it was found that many blogs request donations, our method of analysis could not conclusively determine whether they actually obtained donations. Paid contents and affiliate links turns out to be the third most prevalent form of monetizing blogs.

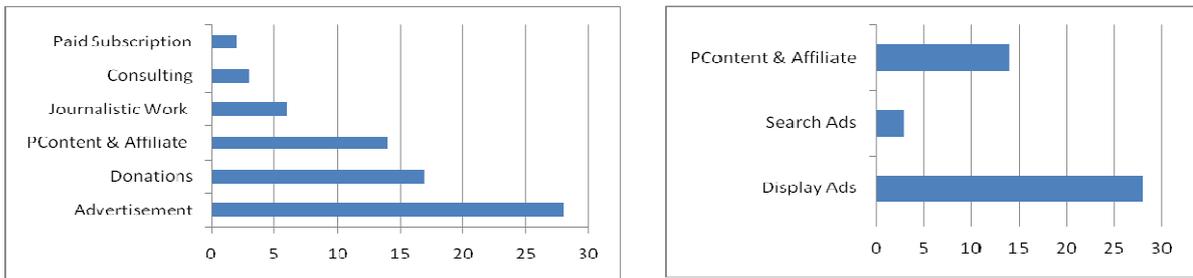


Figure 1. Distribution of revenue streams and the different advertising / marketing channels

Since advertising was the most frequently observed revenue mechanism employed, we further analyzed the different kinds of advertising that blogs used. Paid contents and affiliate links can also be considered as indirect marketing /advertising mechanisms. Therefore, the right part of Figure 1 provides a break up among display ads, search ads, and paid content and affiliate links. Display advertisements are clearly the most popular form of advertising, with all 28 blogs having display ads, while only 3 blogs had search ads.

### 4.2 Blog Activity

As an indication of blog activity, we calculated the average number of blog posts per day and the average number of comments per post (Figure 2). It was found that most bloggers in our sample group posted between one to two times daily, with a few outliers – such as one blog that had a PPD of 18, and another with a PPD of around 12. On an average, blogs in our sample received between 0 – 3 comments per post, with some blogs receiving an extremely high number of comments (the highest being 375 comments per post). Our analysis also revealed that some blogs did not allow commenting, and asked readers to subscribe in order to be able to comment.

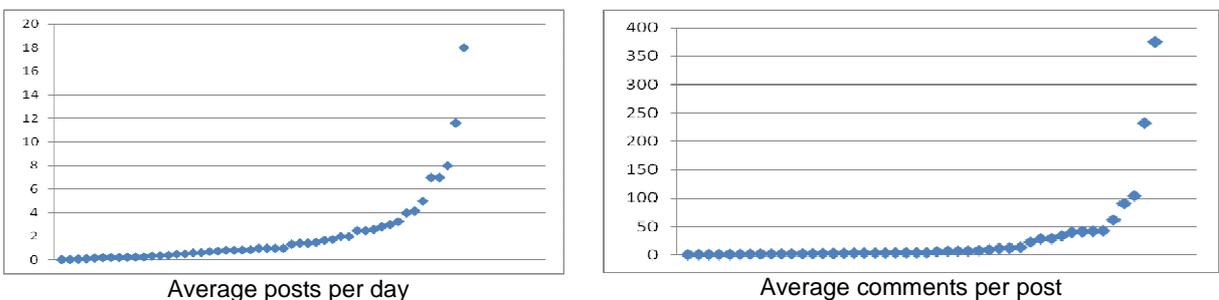


Figure 2. PPD and CPP

Interestingly, it was found that the most active blog in terms of posting received only about 1.45 comments on the average per blog post, while the blog having the highest CPP posted about once daily (PPD = 0.85). Figure 3 illustrates the relationship between PPD and CPP, where PPD is plotted along the vertical axis, and the size of each bubble represents the CPP. Therefore, the frequency of posting is clearly not the only variable that determines the popularity of blogs in terms of comments received.

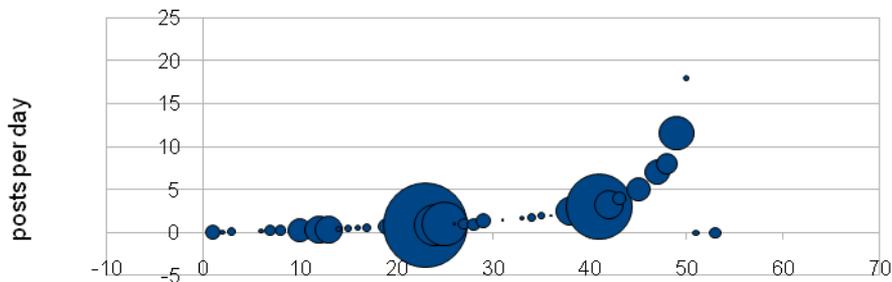


Figure 3. Relationship between frequency of posting and number of comments

### 4.3 Further Analysis

To illustrate our analysis mechanism we carried out a more in-depth and richer analysis of a few selected blogs from the overall sample. These blogs were chosen for further analysis because they represented different topics of interest and therefore different target audience groups, have a very high level of activity in terms of number of posts and comments per post, and use multiple revenue mechanisms.

#### 4.3.1 The Rothenberg Political Report [The Rothenberg Political Report 2010]

The Rothenberg Political Report is one of the few examples for a blog with a subscription model. For a 1-year-subscription the user has to pay \$197.00, for a 2-year-subscription it costs \$345.00. Contentwise, the blog is purely political, focusing on US politics. Because of the subscription model used, the blog does not contain any advertising. Other forms of revenue generation (donation, consulting work, etc.) were also not observed in this blog.

This blog does not allow random viewers to leave comments on the posts, although we could not ascertain whether it allowed subscribed readers to comment. This was a relatively infrequently updated blog with the average rate of posting being 0.11 posts per day (taking into account the last 10 posts and the number of days over which they were posted).

#### 4.3.2 Michelle Malkin [Michelle Malkin 2010]

This blog focused on US politics as well, but with more reference to current events. A display advertisement was found on the right side of the blog homepage, with a message encouraging queries regarding details about premium advertisement and sponsoring on the blog. There were no search advertisements or affiliate links of any kind, nor were donations requested. The “About”-page provided more information on the owner of the blog - Michelle Malkin - who is also a columnist and contributor for Fox News Channel, indicating that she does journalistic work for other media. Furthermore in the “About”-page we could find an offer to give speeches, with the relevant contact details thus indicating consulting services offered.

This blog had a relatively high frequency of posting – 3.25, and also seemed to have an interactive readership base with each post generating 40.77 comments on average.

### 4.3.3 Scary Mommy [Scary Mommy 2010]

In contrast to the above two blogs which provide political commentaries, Scary Mommy is an individual blog written like a personal diary. It does not focus on any particular topic, but rather on the personal insights of the author, primarily relating to motherhood and parenting. As revenue generating mechanisms, this blog relies on display advertisements (both showing current advertisements, and also offering ad-space to potential advertising partners). We could also find links to online shops selling products related to the overall theme of the blog (e.g., baby products, baby gifts, Christmas cards, etc.), however it is difficult to confirmatively say whether these links are part of the affiliate marketing scheme.

At the time of the analysis, this blog had an average post rate of 0,88 posts per day, over the last 10 posts and a comment rate of 90 comments per post was observed, indicating a regular frequency of posting, but relatively high rate of receiving comments.

### 4.3.4 Dooce [Dooce 2010]

Dooce is a diary-like blog as well, focusing on the private life of the author and her family. The posts are on relatively general topics accompanied by humorous pictures. It relies on a variety of revenue streams. The top and the right side of the blog page show display advertisements. There is a shop through which the author sells t-shirts and calendars. At the bottom of the website, the author offers her books for sale on different platforms, indicating affiliate marketing links.

One particularly noteworthy idea for traffic generation was a lottery drawing among all commenters on a certain post where the winner would get a xBox. That particular post had over 3000 responses, whereas the only other post, where comments were enabled, had around 40 comments. The average post-rate for this blog is 1.5 posts per day. The average comments per post were not calculated, since only 2 of the recent blog entries were enabled for commenting, one of them had over 3000 responses due to a lottery, where the other one had only 40 responses.

### 4.3.5 The Pioneer Woman [The Pioneer Woman 2010]

This blog resembles a diary as well, but there is a whole website with a variety of content built around it. While the entries mostly cover the authors personal life, there are also sections for cooking and photography. The blog is a part of an advertisement network (BlogHer), with a message offering the possibility to advertise – no display advertises were found though. This blog has two main revenue streams: Firstly the author sells her books via the blog and secondly she offers to give speeches or sign her books on the “Contact”-page. Further, an analysis of the past blog entries revealed that the author regularly gives gift through lotteries as a traffic generation mechanism.

On the date of analysis, an average rate of posting was determined to be 0.85 posts per day with a very high number of comments per post (375 on the average).

## 5 Discussion of Findings

The blogs examined in our analysis, reflect a highly varied range of individual blogs from personal diaries on various topics, to self-employed political commentaries or news blogs. The blogs also differed significantly in terms of activity – average post per day and the average number of comments per post (Figure 2).

Our analysis clearly reflects the popularity of *advertising*, in particular display advertising as a mechanism for monetizing blogs. Technological developments also reflect this trend with the formation of online advertising network that act as intermediaries between bloggers and advertisers. The higher adaptability of display advertises could be one of the reasons for its popularity, since they

have a much better fit with the design of the blog if chosen properly. Search advertisements on the other hand can interfere with the general view, and might even display undesirable results, due to the lack of control for the blog owner.

Since the popularity of the blog (in terms of number of comments received, number of visits) forms a basis for getting selected for advertising, bloggers have started employing innovative mechanisms to maximize traffic on their blogs such as providing richer and varied content to attract more readers, organizing give-aways through lotteries, etc (as reflected in the analysis in section 4.3). In addition, it was found that bloggers used their websites for marketing a wide range of products such as marketing their own books, linking to other sites selling different products. Increasing traffic volume can also act as means of realizing more revenues from *affiliate links* or getting offers to write *paid blogposts*.

The second most represented revenue stream was *donations*. While many blogs offered their visitors the opportunity to donate, it is difficult to say to what extent *donations* can actually act as a viable revenue model. Therefore, an interesting additional research question would be how many readers actually donate money to a blog and which factors determine their willingness to donate. It was found that many bloggers offered their service to do *journalistic work for other media* – such as write paid articles, appear on radio shows, write books, etc. Some bloggers were found to have already published their own books. This indicates that blogs, in particular popular blogs can create different opportunities for their owners. *Paid subscription* and *consulting* were also detected as the revenue stream of choice among some bloggers.

While most blogs utilized at least one of the revenue streams and some even several, seven blogs did not make use of any of the listed income sources. This observation is expected, given that many individual bloggers do not aspire to make money from blogging, but rather choose to take it purely as a personal hobby or passion.

## 6 Implications

Recent developments in the domain of social computing and Web 2.0 applications have given rise to many interesting social, technological and economic phenomena. Blogging being one of the most popular Web 2.0 applications is naturally associated with some of these phenomena and therefore raises many interesting research questions. This paper provides an initial analysis of revenue streams from blogging, therefore trying to address the question – what mechanisms can an individual use to realize viable revenue from the content they create through their blogs. Based on existing literature six different revenue streams were identified and an analysis of popular blogs indicated the relative popularity and distribution of the different revenue streams.

From a theoretical standpoint, this research provides initial insights regarding monetizing mechanisms used in blogs, and further research can be targeted towards determining to what extent bloggers actually realize revenues, and what are the factors that determine the success of each revenue stream. The value network surrounding blogs and bloggers can be examined in more details, in order to understand the different sources of value in the blogosphere and how bloggers realize this value. For instance, research can try to understand what makes some blogs more popular and how this popularity translates into different revenue streams. From a practical standpoint, this study provides a structured overview of possible revenue streams and empirically validates their existence and prevalence among a selected sample of bloggers. The findings of this research can be extended to other social computing applications with the intention of implementing different revenue streams.

## 7 Limitations

Our study is limited by the fact that we relied on the visual assessment of blogs for to identify the different revenue streams. This could have resulted in some revenue streams going undetected as

bloggers often do not explicitly indicate the use of affiliate marketing schemes or paid contents. Further, we had to restrict the sample size as each blog was individually analyzed by the researchers. Future research could be targeted towards obtaining more firsthand information from bloggers by using surveys or interviews. Moreover, the snowballing method of sample selection could have resulted in some selection bias resulting in only popular blogs getting included in the sample. However, since we were anyway interested in analyzing blogs that had employed some revenue mechanism, this did not pose a serious limitation.

## 8 Conclusions

Over the years blogging has evolved with bloggers putting in more effort and time in creating sophisticated text and multimedia content in their blogs. Accordingly monetizing blogs is one of the top concerns among many bloggers [Technorati 2010]. Our study addresses these issues by analyzing blogging from a revenue generation perspective, and identifies the different revenue streams that can be, and currently are, being realized by individual bloggers. The findings from this research can be used to conduct follow-on research on the relative success of different revenue streams, and can be extended to other social computing domains to examine the economic viability of such applications.

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