

2.3 POTENTIAL REVENUE SOURCES

The basic sources of revenue for the Information Provider are from the user of the information; the distributor of the information; the sponsor who can use the content as a medium to support an overall advertising or marketing strategy; public access and/or point-of-purchase applications; and contract development or adaptation of information.

1. USER FEES

A subscriber or user of a videotex service may be assessed fees which cover, partially or totally, the costs associated with the search for and access to specific information. Such fees may include:

- a. fixed monthly fees for a basic set of information and information services (eg. news, weather, games, etc.)
- b. special monthly charges for access to a particular service or tier of service (eg. home banking, financial services)
- c. hourly charge for access to a basic set of services (as in a. above)
- d. surcharge on the basic hourly rate for access to a particular service (eg. Official Airlines Guide - OAG)

The monthly charges encourage frequent use of the information service and are usually found in system environments in which there is a substantial base of advertising to cover the cost of making both the information content and the commercial message available directly to the consumer.

Hourly charges and surcharges are usually found in services which provide information of a commercial or economic value to the user (eg. stock market quotations, new services, airline reservations). These services are not normally supported by advertising revenue. The onus is on the user to be very familiar with the system and its search capability and to have a good idea of the information being sought in order for usage costs to be kept reasonable. It should be noted that such user charges are in addition to the communication costs. Although each system operator or information utility develops its own approach to user billing based on the specifics of its environment, most cable-based services are implemented on a flat fee basis while many telephone-based services are based on usage sensitive charges.

Depending on the system operator's business environment and on the commercial or advertising value of the information service, the Information Provider may share in the revenue generated from the user and collected by the system operator.