Gauging the Costs of the Web

Jack Powers, director, Graphics Research Laboratory
Publisher, www.electric-pages.com

The Costs of the Web

- Server, etc
  - In-house or outsourced
- Design and development
  - Design, Text, Art, Programming
  - Production
- Maintenance
  - Updates, upgrades
- Training

A Gross Generalization

- For COMMERCIAL PUBLISHERS:
  30% more than today’s desktop publishing costs with no printing, paper, postage or inventory costs
- For CORPORATE PUBLISHERS:
  10 to 20% less than today’s desktop publishing costs with no printing, paper, postage or inventory costs

Turnkey Web Developers

- Basic sites from $600 to $200,000
- High-end consumer sites from $100,000 to $3 million
- Average corporate site: $10,000 to $50,000
- Average electronic commerce site: $30,000 to $75,000

Developer differences

- Design creativity
  - Editorial, art and multimedia vision
- Computing skill
  - Coding, programming, database design, web serving
- Production know-how
  - Keyboarding, editing, quality control
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Litigation support
- Expert analysis, litigation strategy, depositions, documentation review, expert trial testimony: $250 to $500 per hour

Taking control
- In-house strategy, outsourced talent
- Design
- Programming
- Production
- Training
  - Managers, staff
  - Customers, prospects

The Workstation
- > 100Mhz Pentium Pro, 32MB RAM, > 2 GB disk, > 19" monitor, 24 bit accelerated video, ISDN
- Flat bed scanner, digital camera
- Removable disk backup
- High-end audio and video cards
- $3,000 to $6,000

The Server, in-house
- MS Windows NT:
  ~ $4,000 Pentium Pro with 96MB RAM, > 2 GB SCSI disk drives
- Silicon Graphics WebForce:
  $7,000 to $20,000 Unix systems
- Internet Line: 56kbps ~$400/mo, T-1 > $2,000/mo, T-3 > $5,000/mo

Server support, in-house
- Web site administrator:
  $30,000 to $60,000 per year available 24/7/365
- Maintenance contract:
  10% of equipment costs per year
- Environment: Uninterruptible power, HVAC $1,000 to $5,000

The Server, outsourced
- UUNET: 30MB disk, Unix box, T-1 connection, 20MB/hour max
  Shared: $300 per month
  Dedicated: $900 per month
- Webcreations: 5MB disk, NT server, T-1 connection, 600MB/month max
  Shared: $24.95 per month
- Telecom costs for downloading
Training and Education

- Web staff
  - $2,000 to $5,000 each per year
- Managers and staff
  - $200 to $1,000 each per year
- Customers and prospects
  - $100 to $200 each
- Hands-on, business-oriented, regularly updated

Web Site Management

Creation Steps

- “Re-purposing” content
  - Scanning, converting, re-keyboarding
- Editing print content for the web
  - Adding links, subheads, color
- Writing fresh for the web
  - Interactive copywriting, digital camera captures, multimedia elements, interactive programming

“Re-purposing” content

- $1.00 per thousand characters
- $1 to $5 per scan
- Minimal links, minimal multimedia
- HTML coding at $25 to $60 per hour, 5 to 10 10K pages per hour
- One-shot costs

Editing print for the web

- Copyediting electronic files with links and structure: $20 to $40 per hour, 5 to 10 pages per hour ($4 to $8 per page)
- HTML coding at $25 to $60 per hour, 5 to 10 10K pages per hour

Writing fresh for the web

- Authoring and coding may be intertwined, otherwise . . .
- Author’s fee of $200 to $2,000 per 1,200 word article
- HTML coding at $25 to $60 per hour, 3 to 10 10K pages per hour
**Web Site Management**

**Production support**
- Naming files, loading directories, checking links, documenting changes: $10 to $30 per hour
- Running log analyzer, backing up files, cleaning up dead pages: $10 to $30 per hour

**Multimedia**
- GIF creation: $60 to $150 per hour—50 cents per square inch
- Sound and video digitization: $5 to $10 per finished minute
- Shockwave animations, Java applets, server-side PERL and C scripts: ~ $100 to $250 per hour
- QTVR: $500 to $1,500 per shot

**Managing and upgrading**
- **Webmaster**
  - Overall production management
- **Managing editor and sub-editors**
  - Creating new features
  - Backediting the database
- **Customer service and support**
  - Answering emails and forum messages
- **Production and creative support**

**Budgeting for the web**
- Buy or build the initial site
  - $10,000 to $100,000
- Maintain the basic site
  - $20,000 to $50,000 per year
- Update and upgrade
  - $2,000 to $20,000 per month

**What’s it like?**
- An up-to-date marketing communications program
- A weekly or monthly magazine
- A live transaction system
- A 24/7/365 customer service desk
- A catalog ordering department

**Where’s the payback?**
- Every page delivered on-line needn’t be produced on press, mailed or warehoused.
- Information is fresher.
- Access is easier.
- The market potential is global.