

Gauging the Costs of the Web

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The Costs of the Web

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

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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

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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

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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

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Taking control

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

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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

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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

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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

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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

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Web Site Management

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

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Web Site Management

P3: Powers Publishing Pie

Category	Percentage
Design	30%
Author	20%
Illus	10%
Editing	10%
Prepress	5%
Printing	25%

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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

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Web Site Management

"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

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Web Site Management

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

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Web Site Management

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

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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

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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

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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

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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

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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

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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.

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