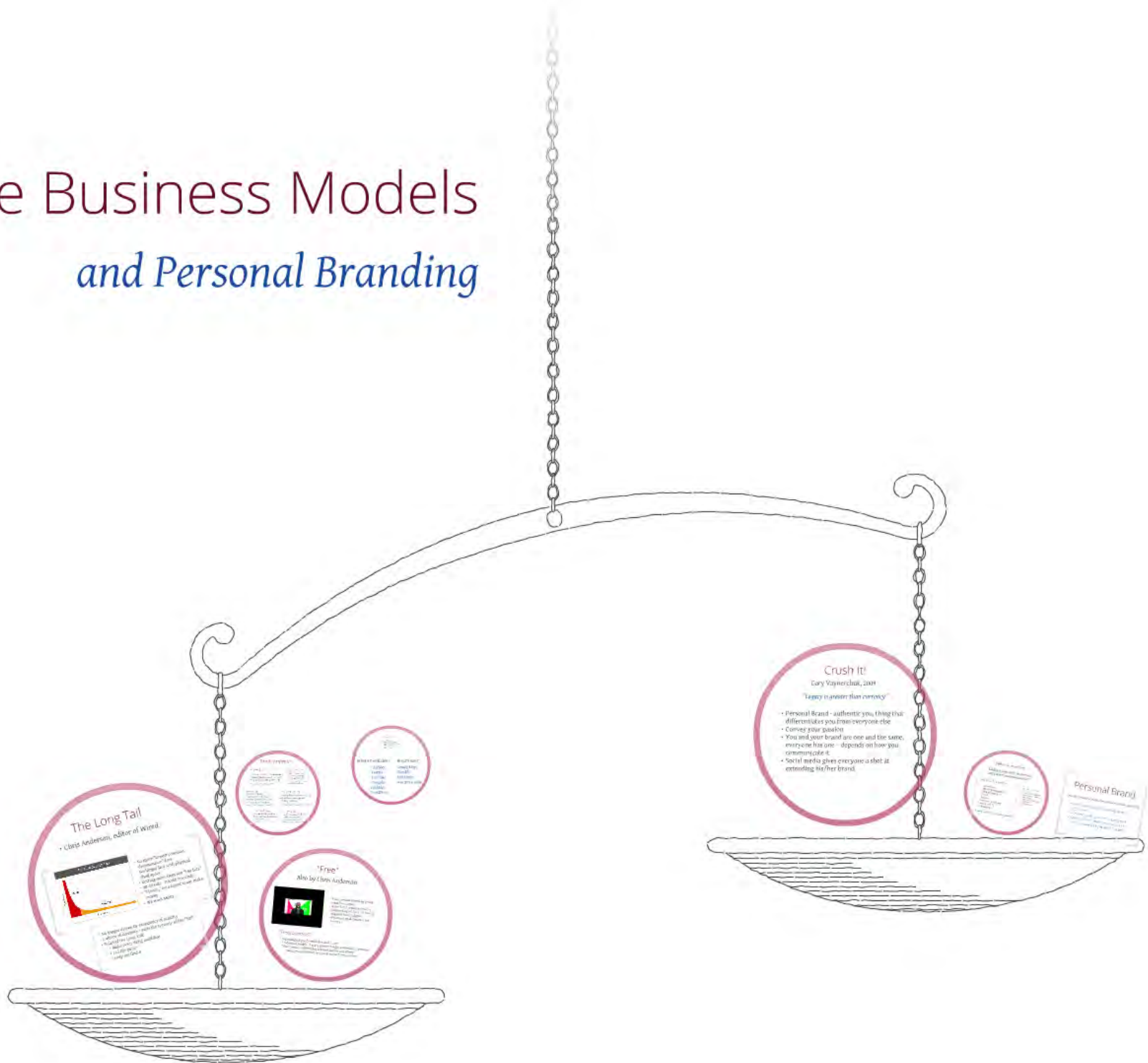
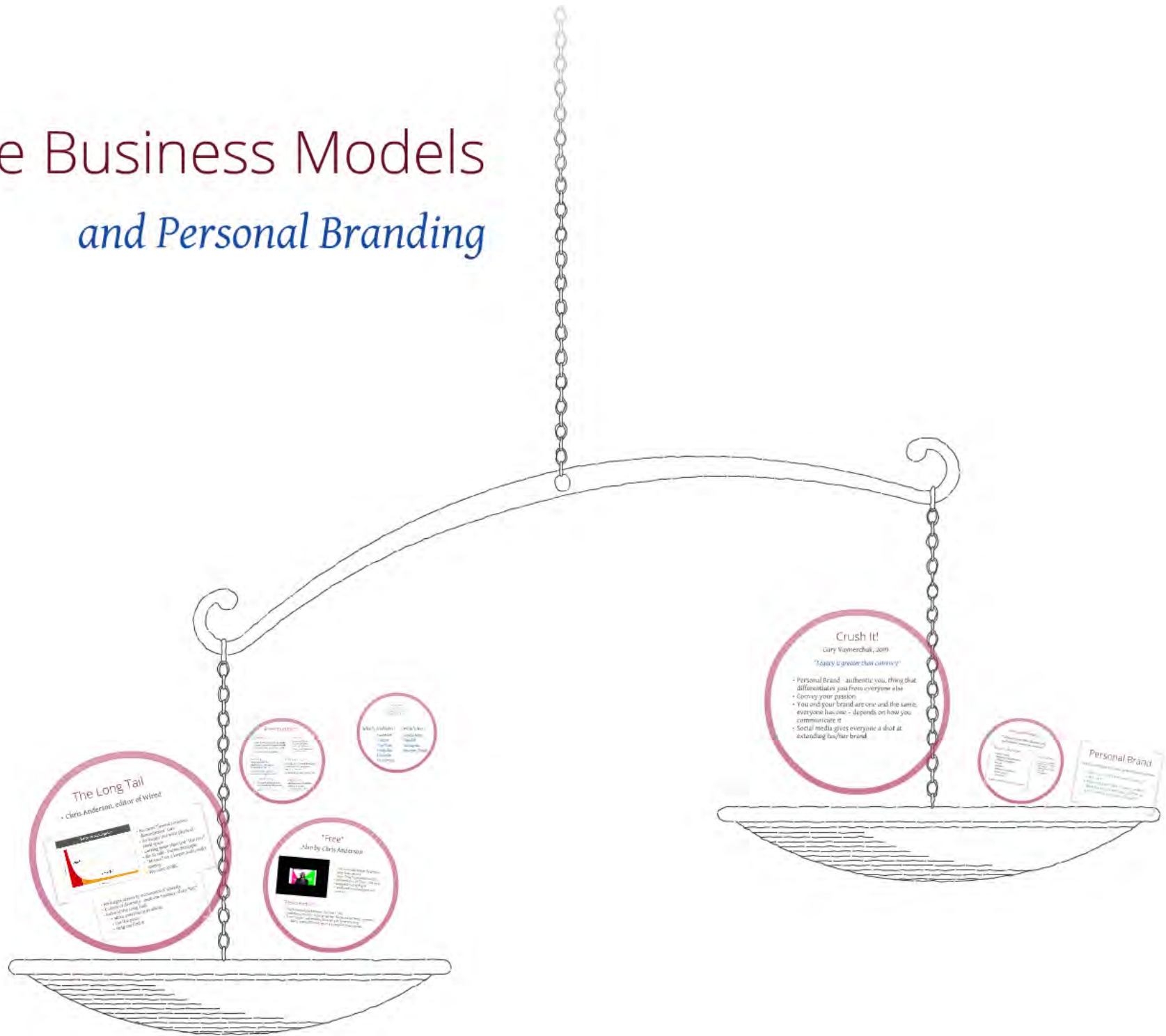


Online Business Models and Personal Branding



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The Long Tail

- Chris Anderson, editor of Wired



- No more "lowest common denominator" fare
- No longer live with physical shelf space
- Getting more than just "the hits"
- 80-20 rule - Pareto Principle
- "Misses," on a larger scale, make money
- We want MORE

- No longer driven by economics of scarcity
- Culture of diversity - ends the tyranny of the "hit"
- Rules of the Long Tail:
 - Make everything available
 - Cut the price
 - Help me find it

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"Free"

Also by Chris Anderson



- You can make money by giving away free content
- Some "free" economic models
- Different sort of "free" - the web!
- Marginal cost of digital
- Also based on abundance, not scarcity

"Freeconomics"

- Psychological gap between free and 1 cent
- Traditional models - 3-party system: Media, advertising, consumer
- "Free" model - advertising does not pay for everything
 - Many, many different options to support free content



YouTube

Freeconomics

Freemium

basic services are free; premium is paid. Can survive with a small % of premium subscribers (1%)

Ex: Flickr, Twitter, DropBox

Cross-Subsidies

give away product for free, people pay for other products

Ex: buy "at cost" for a printer, pay high prices for ink

Advertising companies, bands, organizations will pay to personally advertise to you

Ex: Facebook ads, YouTube commercials, Google Ad Words

Zero Marginal Cost

creating free content for reasons other than money, expect nothing in return

Ex: bands make music for art's sake

Labor Exchange

do something in return for something else; barter

Ex: Yahoo! Answers, Digg - everyone's contributions create value

Gift Economy

altruism: concern for the welfare of others

Ex: Wikipedia, couch surfing - "I share with you, you share with me"

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Other Business Models

- Subscriptions - Netflix, New York Times
- Royalties - Apple iTunes, Groupon
- Selling Data - LinkedIn, PatientsLikeMe
- Pay What You Like - Radiohead (In Rainbows), Humblebundle (gaming)
- Combination Plate - Kickstarter (Altruism, Royalties, Cross-subsidies)

What's Profitable?

Facebook

Twitter

YouTube

Craigslist

LinkedIn

WordPress

What's Not?

Google Maps

Tumblr

Instagram

Amazon Kindle

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Crush It!

Gary Vaynerchuk, 2009

"Legacy is greater than currency"

- Personal Brand - authentic you, thing that differentiates you from everyone else
- Convey your passion
- You and your brand are one and the same; everyone has one – depends on how you communicate it
- Social media gives everyone a shot at extending his/her brand



Personal Branding

"Embrace your DNA, be yourself
and put out awesome content"

Ways to Monetize:

- Advertising
- Speaking engagements
- Affiliate programs
- Retail
- Articles
- Seminars/teaching
- Books and TV
- Consulting

Requires authenticity, hustle, patience

Your Toolbox:

- Blog - essence of brand
- Social Media - sharing mechanisms
- Close relationship with customers
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Personal Brand

Take five minutes to write down answers to these questions:

- How is your personal brand perceived right now?
 - How would you like it to be perceived?
 - What are three things you could do to better convey your personal brand?
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