

Economics of a Portal for Teenagers: Making Mix of Real and Virtual Life Profitable

Andrzej P. Urbański
Poznań University of Technology
Poland



- Created in August 2000 by a 20-year-old student working in McDonalds
- Hobbyist website for everyone interested in fantasy gadgets: wallpapers, avatars etc.
- Rapidly growing visits and hosting payments, because of large bandwidth
- In Autumn 2003 almost closed, but a spontaneous collection of money saved it
- A Problem: Commercialization is necessary

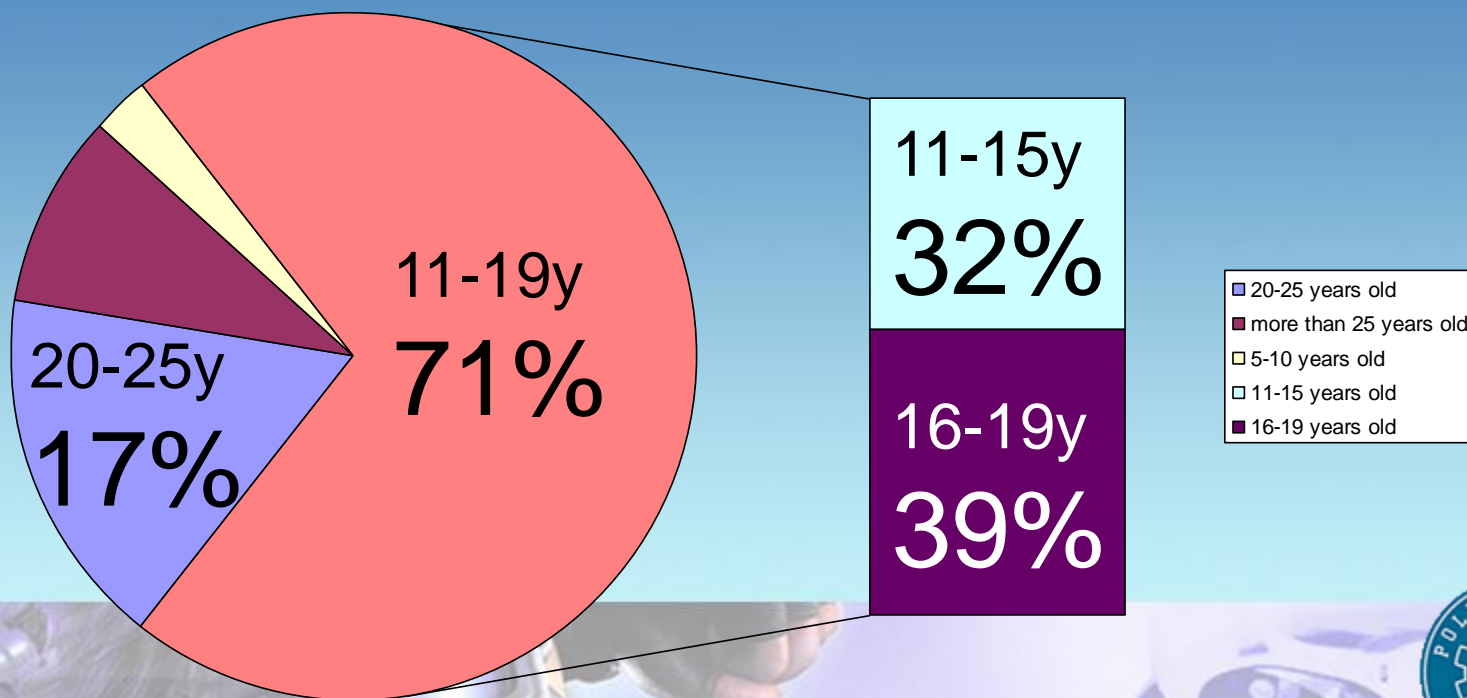


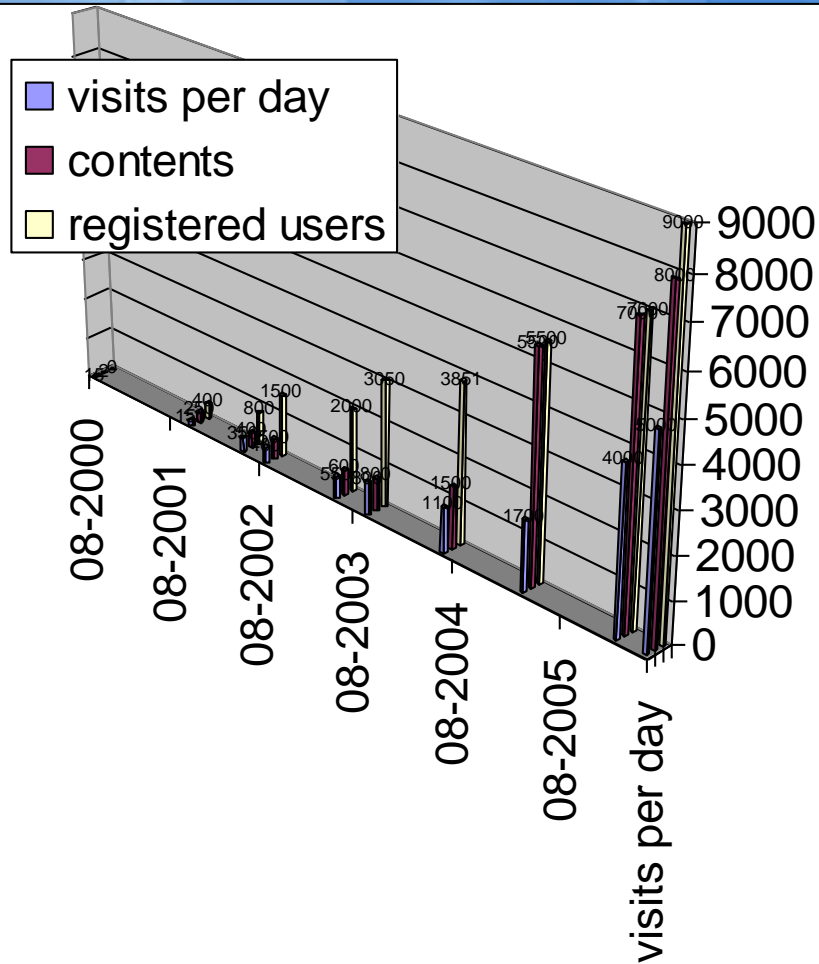
- Not a big country with not popular language
- Teenagers have relatively little money
- Not educated to pay for Internet services
- Distrustful of paying via the Internet,
- Lack of payment cards (especially credit cards), which enable easy and cost effective payments on the Internet.
 - general problem in Poland
 - among young people



all

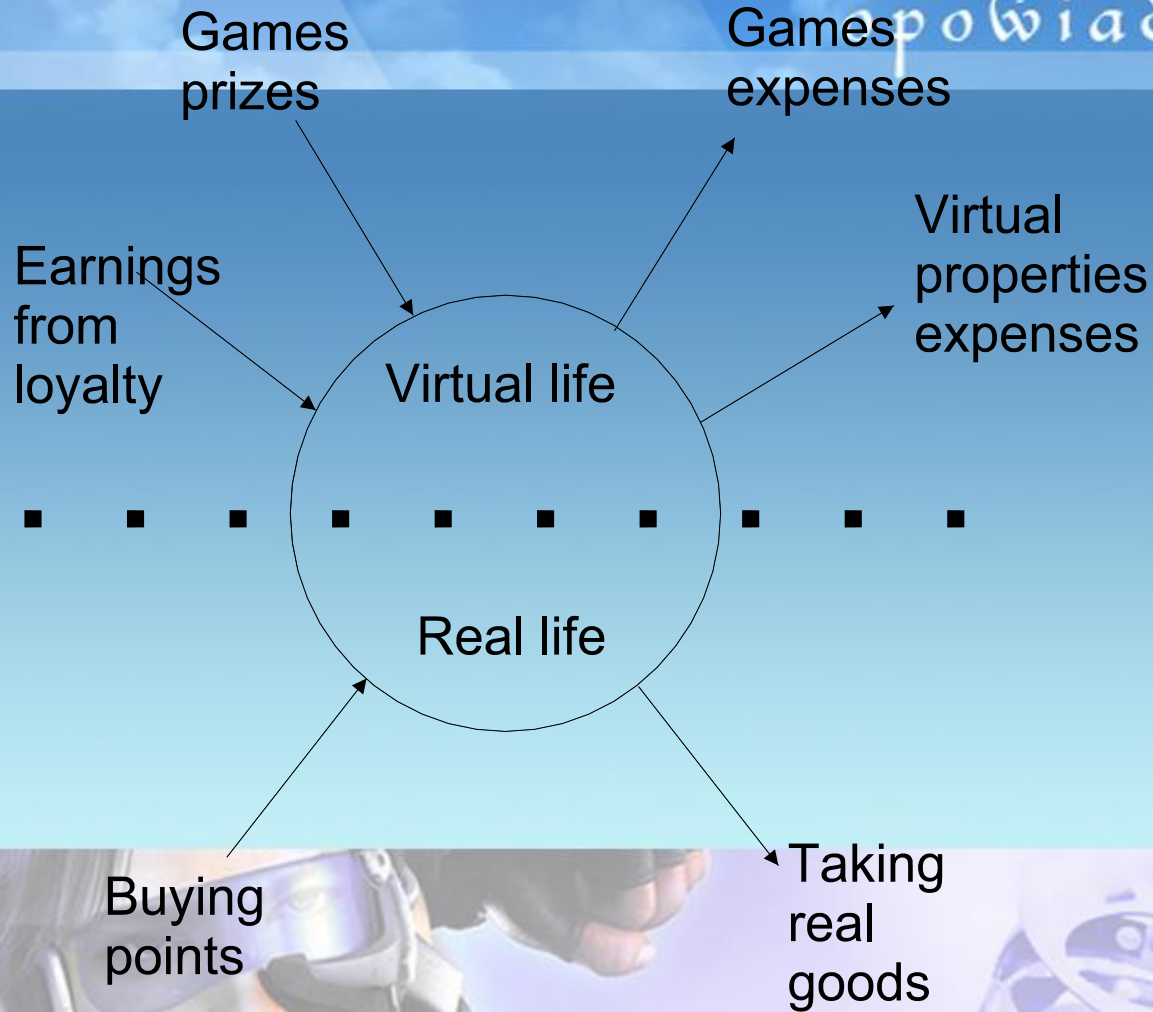
teenagers



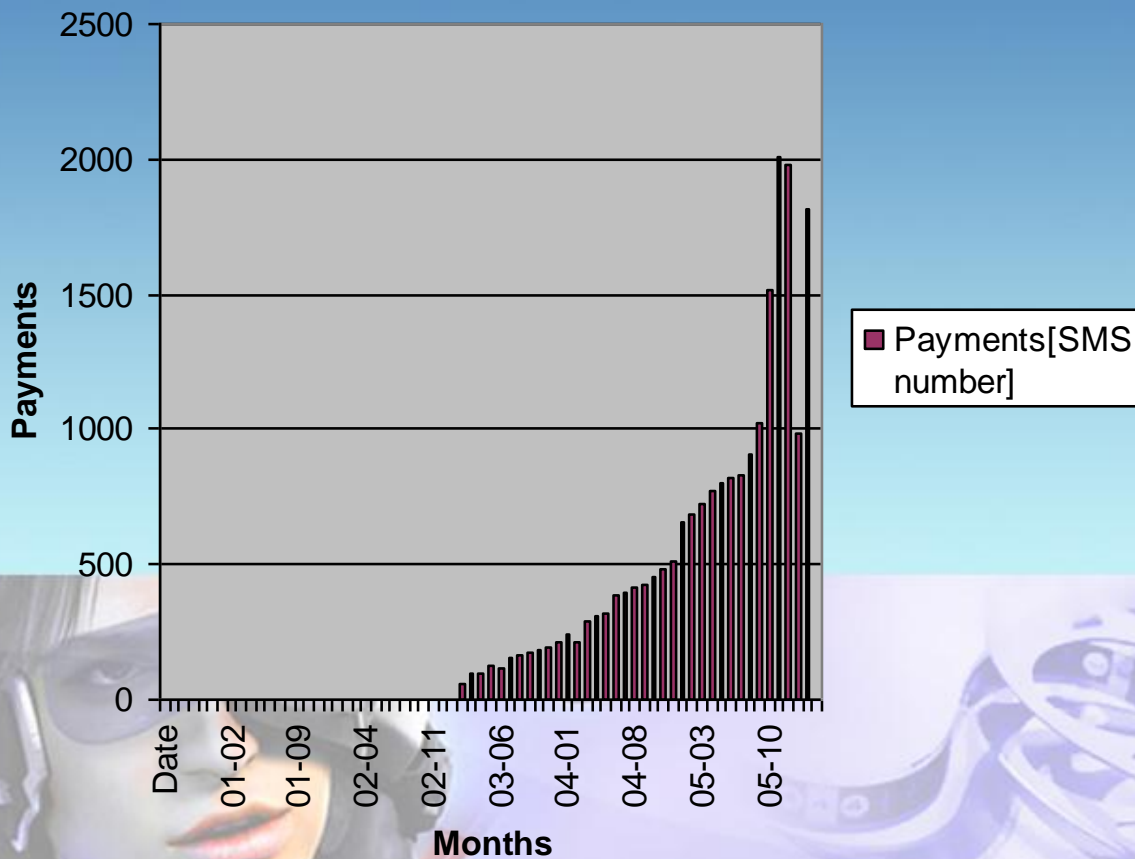


- Earning points from:
 - Days since registration and each login
 - Clicking on fantasyworld.pl links on positioning websites
 - Adding comments and posts
- Spending points on:
 - Avatars and logos to differentiate users
 - Real objects from auctions
 - Games





Income from payments



When a new credit is ordered before the current period finishes:

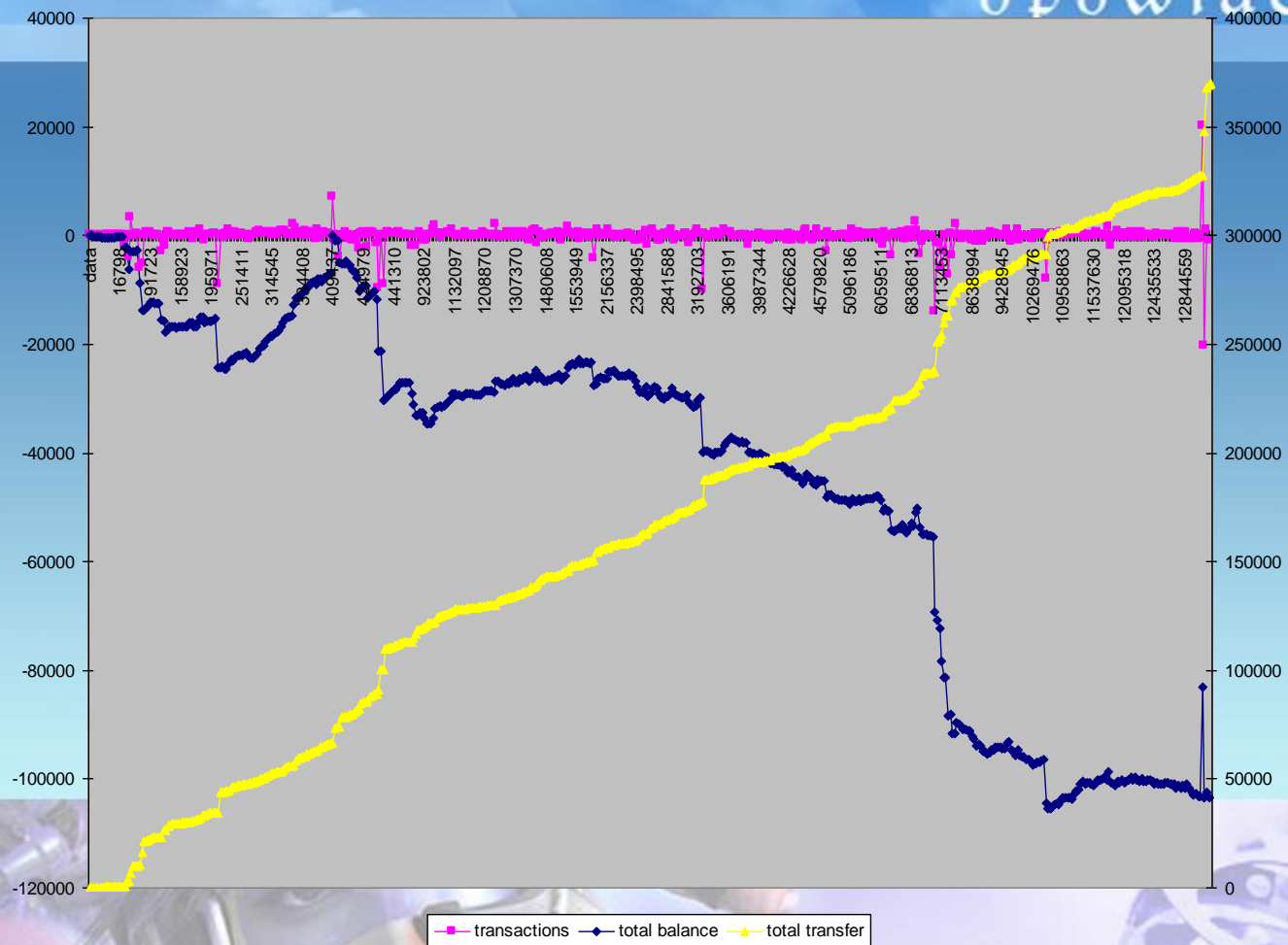
- Amount of credit is increased by the new value
- Number of days to finish crediting is increased with new value
- Amount of the final point upload is increased but its date is moved

Date	Start with points	Initial credit amount	Credit deadline	Buying points transactions	New credit amount	New credit deadline	Final upload at deadline
04-01	0	3000	04-11	1 (2,44 PLN)	5000	04-14	600
04-01	0	3000	04-11	2 (4,88 PLN)	7000	04-17	1200
04-01	0	3000	04-11	3 (7,32 PLN)	9000	04-20	1600
04-07	0	9000	04-20	1 (2,44 PLN)	11000	04-23	2400
04-24	2400	0	-	1 (2,44 PLN)	2000	04-27	600
04-27	2400	2000	04-30	3 (7,32 PLN)	8000	05-08	1800



Points transfers between FantasyWorld.pl and Labiryntus.pl

opowiadam.pl



- Loyalty points are key to success even for teenager Websites
- Virtual and real life properties could be efficiently mixed offering quite a good profit
- Sophisticated financing system should be used carefully in teenagers context
- Exchange of loyalty points between services could be quite intensive



Thank you for attention

