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Selling Online Content—25 Cents at a Time

Comic strips for a quarter? A new twist on micropayments is raising the likelihood that you'll be able to pay tiny sums of money for small slivers of information.
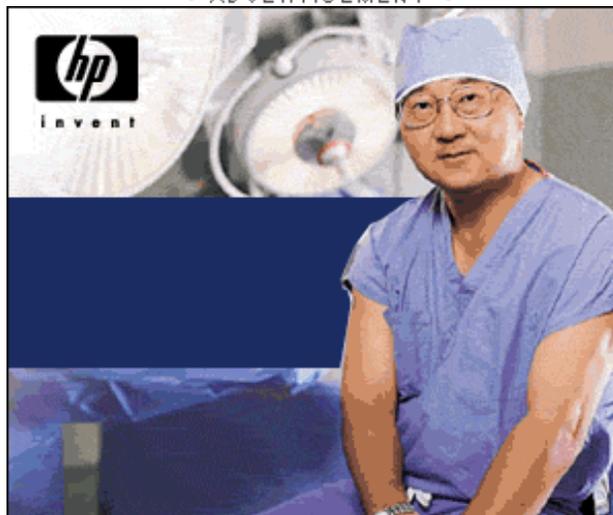

"The Right Number" by Scott McCloud.

By Henry Jenkins
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Scott McCloud, author of *Understanding Comics* and *Reinventing Comics*, is putting his money where his mouth is—or more accurately, he's asking us to put *our* money where his mouth is.

McCloud is a long-time advocate of micropayments as an alternative means of supporting the production and distribution of Web content. This summer, he joined forces with a new company, BitPass, to test the viability of this economic model by charging consumers a quarter to access each installment of his intriguing Web comic, called "The Right Number." McCloud's efforts have re-opened a decade-long debate about micropayments, sparking heated exchanges on many of the mailing lists, webzines, and blogs that digitally oriented people frequent.

Is "The Right Number" worth a quarter? You bet! Its zoom-in interface, which embeds images within images, is ideally suited to McCloud's story about a mathematician who becomes obsessed with the idea that people who have nearly identical telephone numbers share other traits. The 25 cents is not a one time access fee, but rather allows you many repeat visits and the ability to download the comic onto your hard drive. Considering how many comics McCloud has given away on his home page for free through the years, I am more than happy to give him my quarter.

So why has McCloud's move sparked so much controversy? Because he wants to charge a quarter—on the Internet! Credit card transaction costs can range as high as $1.50, making it hard to charge small amounts for online content.

The point of micropayments is to create a system that allows people to buy and sell content online for far less. BitPass promises that it can facilitate transactions for prices lower than any previous micropayment system on the market, ultimately getting down to a few pennies—you can now buy a "dime novel" for a dime. Subscribers go to the BitPass home page and enter their credit card information one time to buy the digital equivalent of a phone card, which can be used quickly and easily with any affiliated vendor.

McCloud argues that a micropayment system would allow media producers (everybody from authors and recording artists to independent game designers and Web comics artists) to sell content directly to the consumers. This would cut out many layers of middle folk and thus allow the final price to the consumer to better reflect the lowered costs of production and distribution in the digital environment. Such a system helps not only consumers, who can sample from a range of different media producers without being locked into a subscription, but also artists, who can collect a reasonable return on their work.

McCloud's supporters see "The Right Number" and BitPass as the long-heralded arrival of a viable micropayment system. Micropayment critics, however, are echoing online columnist Clay Shirky's assertion that "micropayments are an idea whose time has gone."

Shirky insists that earlier experiments with micropayments have failed, and new ones will continue to fail, because micropayments place unnecessary demands on consumers. Micropayments, he argues, "waste the users' mental effort in order to conserve cheap resources, by creating many tiny, unpredictable transactions." Although written in 2000, his column is gaining new life among bloggers and discussion list participants. Many micropayment critics act as if Shirky's critique had pre-emptively trumped any future experiments in this area. Yet Shirky was actually criticizing an old model of what micropayments might look like.

Shirky was arguing against micropayment advocates, such as Web design expert Jakob Nielsen and MIT Media Lab founder Nicholas Negroponte, who likened micropayments to disaggregation—that is, the selling of Web content one page at a time. Most of us, Shirky claimed, would be paralyzed if we had to decide how much we were willing to pay for, say, one single section of a newspaper; we'd rather just cough up the fifty cents and buy the whole thing. But such extreme disaggregation is only one possible (and hardly the most desirable) outcome of a micropayments system. You can decide for yourself how much anxiety such transactions would produce. For the moment, I would settle for being able to buy a single issue of the *New York Times* online at a newsstand rate or lower without having to invest in a long-term subscription.

The BitPass experiment suggests a different model, one that at least partially addresses Shirky's concerns about micropayments. Content providers are using micropayments to set prices at a level that they think their market will bear—prices lower than subscriptions or credit card purchases, but not necessarily so low that they become like a series of mosquito pricks. I don't experience confusion trying to decide whether McCloud's story is worth a quarter and I experience no more stress watching my BitPass drain away "unpredictably" than I face when I use my phone card to make a series of calls.

Some posters on various discussion lists are outraged that McCloud wants to

charge anything for his content. They see micropayments as betraying the gift economy of the early Web era. But these people are trying to close the barn door after the cow has escaped. There will always be an abundance of free content on the Web, much of it produced by passionate amateurs or academic institutions. And though many of my favorite online publications now charge monthly or annual subscription fees, some still allow you to sample the content for free, or give you limited access if you are willing to sit through an online advertisement or allow them to datamine you. Surely, we don't want to create a medium where corporations can get paid and artisans cannot.

The question isn't whether we will pay for content: We already are. The question is how, and how much. Both advocates and opponents of micropayments assume that micropayments have to work everywhere on the Web or they are not worth exploring. And critics say that it is difficult to imagine changing the basic mechanism of online commerce. BitPass is lowering the stakes by experimenting with micropayments in specific content domains where they would seem to offer buyers and sellers the greatest advantage. The Web isn't going to evolve toward a single business model very soon, so all we need to decide now is whether micropayments represent a valuable option that will work well in some contexts, for some kinds of content, with some kinds of users.

I vote yes. Sure, micropayments were over-sold—but let's not undervalue them now. In some cases, where you want to build an ongoing relationship with a particular content provider, subscriptions will represent a better alternative. In others, we may prefer to pay only for the content we want to access. This is not a novel situation; after all, many of us subscribe to some publications and purchase others off the newsstand when a particular issue has content that seems interesting, or when we feel we have time to read them.

 Similarly, most of us will subscribe to a finite range of Web content—just as most of us subscribe to only a few (if any) premium cable channels. An economy based exclusively on subscriptions would evolve toward media concentration because subscriptions play to the advantage of large media companies that can offer the broadest range of content. Only rarely do alternative artists get their acts together to form subscription-based services. In the case of Web comics, for example, a number of independent artists have teamed up to create Modern Tales, a subscription-based service that for $2.95 a month provides unlimited access to the work of more than 30 alternative comics creators. Micropayments would support the fragmentation and diversification of Web content, allowing a broader range of producers to compete for our entertainment dollars.

Critics argue that since you need to put three bucks into the BitPass system before you can buy any content, then BitPass is little more than a subscription system by another name. They say they would be happy to give McCloud a quarter for his comic but that still leaves them with $2.75 worth of content they don't necessarily want to buy. Right now, this is a potential disincentive, since BitPass is in beta test and has relations with only a few content providers. But one system need not take over the Web in order to have a demonstrable impact on Web culture. If McCloud's experiment is successful, his visibility within the Web comics community will attract other artists, creating a Mecca for comics fans.

People who like comics tend to read a broad selection and are often willing to try unknown artists if the content is cheap and accessible. One can imagine micropayments thriving within other niche media communities as well: hardcore gamers could use micropayments the way they use tokens in an arcade; popular music lovers might think of themselves as plopping quarters in a well-stocked jukebox. For digital movie fans, this could represent a return to the nickelodeon

era. A micropayment system like BitPass would allow consumers to experiment with new content but also to place their support behind specific artists whose work they find consistently rewarding and interesting. Ultimately, they are paying for only the content they consume—and not shelling out a fixed sum every month.

Micropayments will be most attractive where a range of small scale producers are trying to service the needs of committed and motivated consumers, where the reputation of certain pioneers will help to generate an initial market and create coattails for other less well-known artists, and where the price point remains lower than traditional credit cards can accommodate. As content providers cluster, then it becomes less and less likely that you are going to be left with unused portions of your BitPass payment.

I doubt that micropayments will totally displace other ways of paying for content online. More likely, many content providers will offer both micropayments for occasional or impulse buyers and subscriptions for more committed followers. Yet I am hoping that something like BitPass survives as an alternative that allows me to make smaller purchases online, to read one issue of a publication, download one song, play one game, or retrieve one important article from the archives. As is so often the case, we need to think about micropayments less as a revolutionary new technology and more as part of a long term evolution in the ways we think about online content.

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