# Diploma in Web Development – Part I

## Lesson 7 – Generating Revenue

### Choosing a Revenue Model

There are numerous options that can be chosen when putting a web application to market as to how it can generate revenue to cover costs and generate profit for an organisation. The best revenue model to choose varies from business to business, but for web applications, these can be covered under the following main categories:

### E-Commerce

If you are selling either a digital product or a physical product, then your application is an e-commerce website. Purchases are made through your platform, which acts as the front for your business. These kinds of web applications generally require a special payment platform in line with data protection laws to ensure security for your users. The more payment options you offer, the higher the chance that a given user can make a purchase on your website. Adding advertisements to an E-Commerce site is not recommended since it can damage user experience at low benefit, and can also lead to your advertising a competitor website!

### Online Service Provider

If your application either provides a free online product or a free online service, then you will need an alternate means to generate income. Some service providers (like Wikipedia.org) make all of their income from donations, which is a valid means of supporting your website in today's market. However, in other cases (such as news-style websites), advertising is the method used.

### Ad-Supported Websites

Advertising on a website generates income in various ways, depending on the advertising platform as well as the options chosen for advertising on same. Different options include payment per click (CPC), payment per impression (CPM) (another way of saying cost per 1000 users who see the advert on a webpage), or payment per sale (CPS). Whichever your chosen income method, you will need to display third-party advertisements on your website. These can be in the form of banner advertisements, pop-ups, interstitial ads, and others.

### Payment Portals & Security

In order to set up a payment method on an e-commerce site, most web applications will avail of a payment service provider, which provides security for the user's sensitive credit card and other data. In order to interact with these payment providers, the use of an API (which is dependant on the service provider) is required. Note that even with payment portals, data protection laws in your region must be observed, or your website may be subject to legal proceedings.