# BeRuby.com [1]

In the next few weeks, Chris Anderson, editor-in-chief of *Wired* and author of "The Long Tail: Why the Future of Business is Selling Less of More", will launch his new book, "Free", based on the article by the same name.[2]

Anderson has developed a new theory that argues that the Internet will increasingly tend towards being free. He supports his assertion by presenting six different business models based on the concept of the priceless economy: Freemium, Advertising, Cross-subsidies, Zero Marginal Cost, Labor Exchange, and Gift Economy.

BeRuby believes that this argument can be taken a step further: not only will the Internet go to *freebies*, but to ***User-generated Earnings***. Users will be rewarded for their online activity.
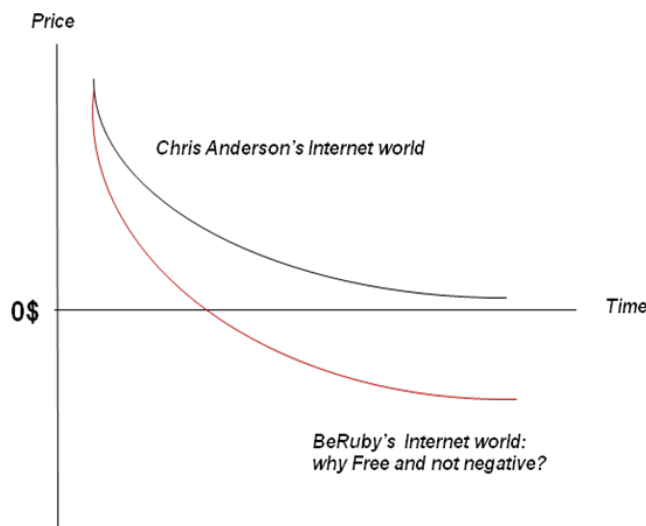
According to Netcraft, the number of Internet sites as of December 2008 was of almost 187,000,000.[3] Considering that the average user visits between 25 and 50 sites per month, a tiny percentage of the total, how can these sites attract and retain users? Given the brutal competition, is it feasible to base a business model on paying users for their activity on the web? BeRuby's experience may help you answer these questions…

BeRuby.com is an innovative web portal that shares one-third of revenues generated by users with the users themselves. It was launched in Beta in July 2007 in Spain, offering its customers three value propositions:

1. A site that they can personalize to include their favorite links (one-stop access to the 25-50 sites they visit most frequently);

2. A site that pays them based on their online activity;

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[1] This case was originally written by Miguel Acosta, in January 2009, as a guide for class discussion.

[2] Source: http://www.wired.com/techbiz/it/magazine/16-03/ff_free/?currentPage=all.

[3] Source: http://news.netcraft.com/archives/2008/12/24/december_2008_web_server_survey.html.

3. A site that pays them based on the online activity of their network (two-level referral program).

BeRuby has signed up over 180 advertisers in Spain willing to pay for users' online activity; that is, visiting, registering with, or shopping in their sites. Current advertisers include Yahoo Search, LiveSearch, Kelkoo, eBay, eDreams, Despegar, British Airways, Apple, Dell, and Vodafone, among others.[4] From the user's viewpoint, this process is quite simple: all they have to do is to access the destination site from BeRuby.

Since its initial launch, BeRuby has focused on two main objectives: (1) attracting new advertisers and (2) securing meaningful partnerships that contribute to increasing the user database. The most important partnership agreements thus far are with DiarioMetro, Paypal, and Antena3.

Additionally, BeRuby has entered other markets (France, Germany, UK, US, Italy), which are still in the very early stages of development.

The user database is currently increasing at a rate of approximately 500 new users per day. At the same time, BeRuby's monthly revenues have increased very favorably since its initial launch.

Source: BeRuby Analysis

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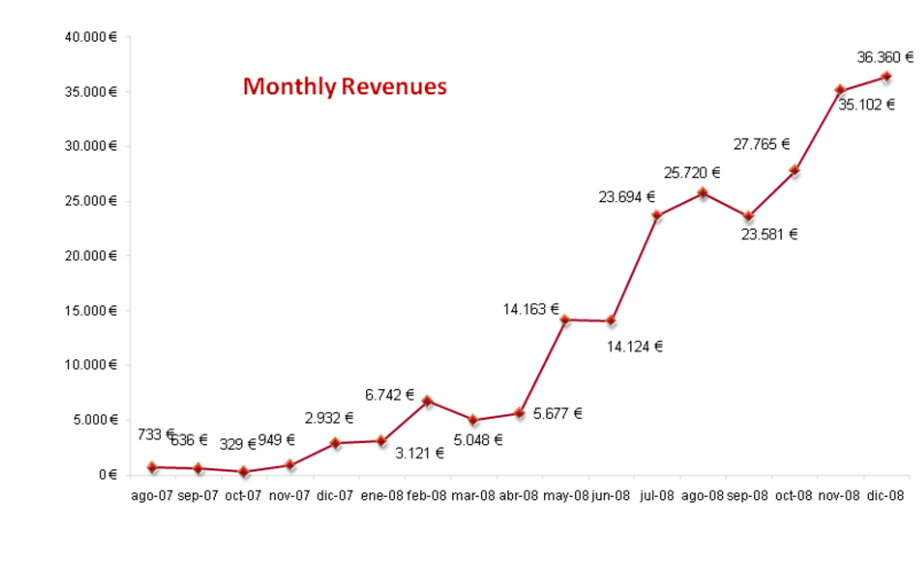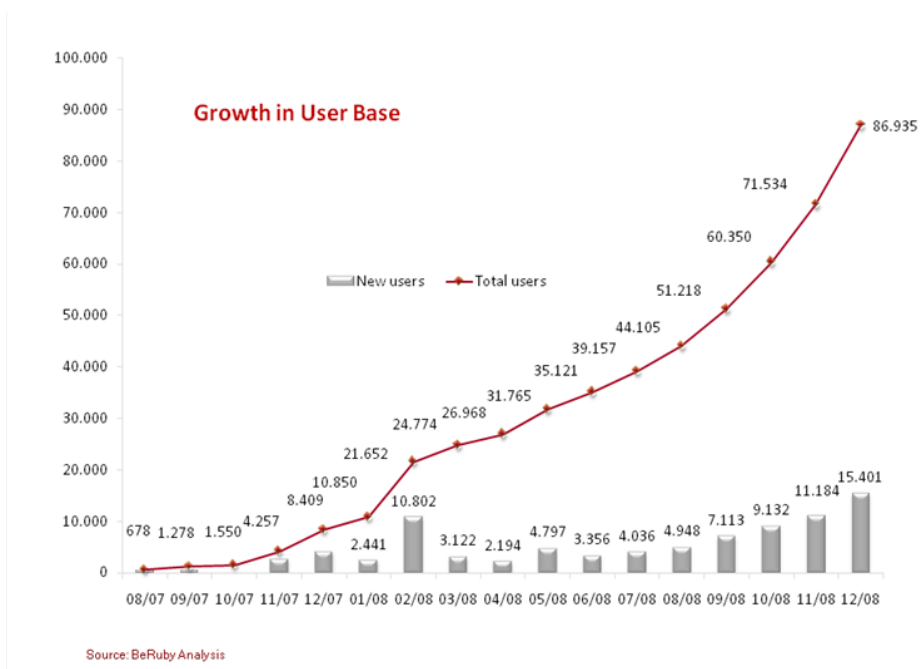
[4] A complete list of advertisers can be found in http://es.beruby.com/widgets/commission.

Internally, BeRuby measures success based on the 3R Triangle:
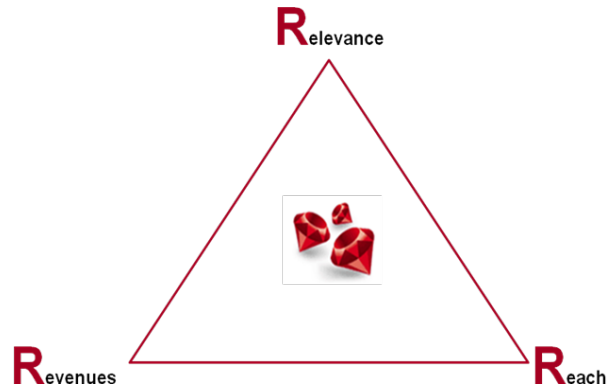
Relevance: Allowing users to include their own links to their BeRuby homepage, makes it a one-stop shop for all their frequent web activity. This makes BeRuby a useful, relevant tool.

Reach: The multi-level incentive allows BeRuby to reach an increasingly growing number of online users.

Revenues: The number of advertisers and, consequently, total revenues, is growing.

Read what the press is saying about BeRuby at http://es.beruby.com/web/press