# An idea how to monetize social software

6 votes

Posted 1d 6h ago by lonk

Tags: social media, monetization, business

I wrote the following as a Twitter thread first but I think this idea could work for Reddit/Tildes/Mastadon and would love to know what you folks think of it.

Here is how I would monetize a social network that could work for Twitter.

First of all, don't charge your most valuable users - the power users that create the content for you. Instead focus on the users that get more value from your system - the consumers of the content.

The idea is simple - introduce a small time delay before content gets seen from the time it is published. For example, on Twitter it could be 1 minute. On Reddit it could be 10 minutes.

Paid subscribers would have no delay. Importantly - lift the delay for the users that generate a lot of views.

You can do revenue share with your content creators in proportion to how much time paid subscribers spent on their content.

And you can also identify your most valuable audience - the paid subscribers. This will help prioritize content moderation decisions, identify abuse, and prioritize appeals.

The delay would allow you to prioritize which content needs to be indexed instantly (ie from creators that paid subscribers are following) and which you can process on a best effort basis - saving on production costs.

You can gift subscriptions to your friends and family.

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— **MimicSquid**  1d 4h ago  Link

That's essentially what a lot of writers do with Patreon; they release the story for free one chapter at a time, but for a small fee you get the chapters a week or two before anyone else. Monetizing the FOMO around social media seems more effective and less exploitative than most ways of making a buck.

7 votes

— **NoblePath**  18h 52m ago  Link

I wish there were a way for this not to have to be a question. I feel like social media should be freely accessible like a park.

I get there are some real costs to running the thing, and also the necessity for some kind of policing. But these should be done at the max collective level.

As to how, well, it's easy to say "like the parks" but the two spheres are hardly parallel. But principle number one should be public interest.

7 votes

— **Adys**  6h 29m ago  Link  Parent

Almost everything in this world costs money. If you want something to *sustainably* exist, you need a long term solution for it.

Money spent over time (cost) is a problem just like any other engineering problem. You have to look at "costs" as a limitation. The way to lift that limitation is either by decreasing costs, or increasing revenue. You can compare it to an app that grows in disk space every month: You can reduce the growth (reduce cost), increase the disk space (increase revenue), or bound the app in usage (eg. by limiting the amount of users, or lifetime of posts or whatever - everything has a lifetime).

The parks cost money to maintain as well. "They should just be free" is not an answer - they're *not* free. Whoever runs them has made a plan for the parks to sustainably exist - the funding just comes from elsewhere.

I agree that this stuff should not be monetized. Usually though, what that means is you monetize something *else*. For example, "web browsers should not be monetized": Microsoft monetized the OS, Google monetized the web itself, and Mozilla just lives off Google's money which makes people complain about the web being in danger…

I think it's critically important for people to look at the world and ask themselves this question. Not "How does this make money?", but rather "How is this sustainable?": Have an actual plan for something to exist, beyond "people should donate unlimited resources".

9 votes

— vord  16h 41m ago  Link  Parent

Tax dollars -> Non profit NGO to host internet services for the locale

We do it for other utilities and parks, it makes just as much sense here.

6 votes

— NoblePath  15h 23m ago  Link  Parent

Thinking further, I guess parks map on to internet infrastructure, even so far as running usenet servers. But social media is probably more like a public arts council, which is still the same as your model. A local NGO with some public accountability to set design guidelines, participation limits, etc.

2 votes

— autumn  15h 10m ago  Link  Parent

This is how I run my Mastodon instance. People are welcome to donate (and have, which is very generous of them!), but I could also support it myself. It's a nice thing to offer because I am financially privileged, and I have no interest in making money off of running a community.

5 votes

— skybrian  8h 7m ago  Link

I think pricing decisions need to be fairly complicated and subtle. Some celebrities draw crowds and money can be made by charging admission for some things, or by convincing fans to support them. But you don't draw a crowd without giving away lots of free content, because without that, nobody knows you. Giving away content and paid advertising serve similar purposes, to get attention in a way that somehow pays off later. Charging for the more obnoxious giveaways to large audiences makes sense to cut down on spam and scams.

The decision about what content to charge for might be informed by analytics, but often it's a judgement call that can't easily be automated. Furthermore, pricing need to be understandable by fans. So I think Substack has a good model - the author decides what to give away and what content is subscriber-only, and they can explain why they're doing it that way.

Another way to go would to have admins either foot the bill (if it's small) or raise money via donations, maybe with some bonuses for donors. This is sort of the public radio model. Seeing content a bit sooner is one possible perk, but there are many others.

Paid hosting of Mastodon instances is already starting to happen and I expect to see more of that. Ideally all the technical stuff gets handled by the hosting service and the admin only needs to handle moderation, which is difficult enough.

3 votes

— lonk **(OP)**  2h 53m ago  Link  Parent

> Seeing content a bit sooner is one possible perk, but there are many others.

What other perks do you have in mind?

I like the time delay because it does not dramatically change paid and free experiences. It's just a nudge. Unlike paywalls.

Another option is to pay for some status signifier. But status needs to be earned, not bought to be valuable to others. The $8 dollar blue checkmark on Twitter was just that.

How else would you nudge users who find value in the service to pay without ruining it for free users?

1 vote

— skybrian  38m ago  Link  Parent

At least on Substack, there's often some extra content for paid subscribers. It's up to the author how to do it, but it can be done thoughtfully so that free users aren't missing much.

1 vote

— lou  2h 11m ago  Link

> For example, on Twitter it could be 1 minute. On Reddit it could be 10 minutes.

Two things might happen:

1. People would get used to it.
2. Whatever websites with no such limitations would take the place of Twitter, Reddit, etc.

1 vote