

The Content of Horizontal Portals

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INTRODUCTION

The word “portal” has been around for quite some time, but its use to describe a tool for electronic commerce has emerged only recently. This paper examines the definition of Web portals and a general method by which they might be classified. Literature related to the business model associated with horizontal portals is examined and synthesised to match revenue models with different types of horizontal portal content.

BACKGROUND

Costopoulou and Tambouris (2004, p. 136) suggest that a Web portal is an information gateway: “It attempts to address information overload through an Internet-based environment in which to search and access relevant information from disparate IT systems and the Internet using advanced search and indexing techniques.” From here on in this article, when we use “portal” we actually mean “Web portal.” More specific definitions of portals sometimes define them as sites that offer “personalised content” to the user (Pearlson, 2001) or that offer a “broad range of services” rather than necessarily just redirecting users elsewhere (Zikmund & d’Amico, 2001). Some portals also offer services such as trading facilities (Internet.com, 1999). In fact, there are many authors that have considered the definition of a portal. Smith (2004, p. 94) considered 17 definitions of portal and classes of portal. He provides a definition of portal to distinguish it from other types of information systems: “... an infrastructure providing secure, customisable, personalisable, integrated access to dynamic content from a variety of sources, in a variety of source formats, wherever it is needed.” This seems to indicate that a Web site should meet a number of criteria before it can be considered to be a portal in Smith’s eyes. Van Brakel (2003, p. 593) appears to be in some agreement with this. He discusses a number of different portal definitions and comments that:

It is surprising how many times the term portal is being used to describe a static Web site environment. The corporate

world is particularly at fault in this context: a well-designed and dedicated Web site that provides access to specialised resources or goods might be referred to as an information directory or information hub, but it is definitely not a portal with its current specialised functionalities. Simply affixing the word “My” to a system and adding a personal logon feature definitely does not metamorphose a static Web site into a portal ...

An important notion behind the concept of a portal is that it often does not provide content itself, but organises content from other providers (Rao, 2001). This often occurs through the provision of some type of directory or search services.

Van Brakel (2003) also examines a number of definitions that require that a portal should *add value* for the user by providing more sophisticated information access features. He also adds that they should also specifically include *customisation* and *personalisation* features. In this context he describes personalisation as the ability to include personal information (such as a stock portfolio) or to subscribe to specific channel and/or alerts. Customisation provides the user with the ability to alter the look of the portal (for instance, by changing colours) depending upon personal preference.

An important concept behind the idea of a portal is the idea that it can be a “one stop shop” for users with either generic or specific information needs. Rao (2001, p. 325) defines portals as “those one-stop Web sites that try to satisfy most of an individual’s daily Web needs.” One of the major requirements of the one-stop shop is that content from disparate providers must be integrated into one point of access (Costopoulou & Tambouris, 2004).

Summarising, services that differentiate a portal from a “normal” Web site include

- personalised content, with a
- customisable interface, perhaps with some
- other added value services (such as online shopping), at
- a single port of call, in
- a secure environment.

Types of Portals

Van Brakel (2003) suggests that two broad categories of portals exist:

- **Horizontal or Public Portals:** Available to the general public or are for certain interest groups. They allow some level of customisation and personalisation. Sieber and Sabatier (2003) suggest that horizontal portals are generic organisers of information.
- **Vertical (Corporate or Enterprise) Portals:** Limited by certain authentication requirements, such as those reserved for employees of a company. We suggest that this definition should be extended to include supply chain partners as members of industry portals. A feature of vertical portals is that they provide information for groups with specific interests (Sieber & Sabatier, 2003).

Rao (2001) suggests that there are three major categories of portals: horizontal, vertical, and corporate. This separates van Brakel's vertical portals into two categories, internal (corporate) portals and vertical (industry-based) portals, which matches our "extension" of vertical portals fairly closely. In this article we are concentrating upon horizontal portals.

Services and Horizontal Portals

Costopoulou and Tambouris (2004) identify three major participants in the portal "industry," customers (who obtain information and take advantage of consumer services to fulfil their needs), the portal operator, and suppliers (who provide the information and services to the customer via the portal).

Meisel and Sullivan (2000) suggest that there are several factors that contribute to creating a demand by Internet users for the services of a portal. These are

- Provision of a convenient and organised way for a user to access the Internet. This reduces the search costs that are incurred by the user (time and/or money).
- Along the same lines, the portal can filter out harmful information, or even information from less reliable sources.
- It can provide a means of assurance of the integrity of the sites they use for Web transactions.
- It can provide users with access to exclusive content and/or communications technologies.
- It can provide a one-stop shop, providing the gateway to the information that the user needs.

Successful implementation of these strategies can lead to revenue generation for the portal in a number of ways (Meisel & Sullivan, 2000). The business can also act as

an ISP, or team up with one, and generate extra revenues through subscriptions. Revenue can be gained through onsite advertising. Of course, advertisers are likely to pay more if the number of users and level of "stickiness" is greater. Extra revenue can be made through commissions charged on e-commerce transactions carried out through the portal. This can be from charging the merchant and/or through fees per transaction.

Earlier on in this paper it was suggested that a portal needed to add value for the user by providing more information access features. Sieber and Sabatier (2003) suggest that value is added whenever the *willingness to pay for the service being offered exceeds the (opportunity) cost of the provision of the service*. They suggest that, in the horizontal portal industry, value is created by a reduction in transaction and search costs and the creation of new ways to customise information or services. They also provide advertising clients with the possibility of targeted advertising. A critical mass of users is vital for horizontal portal operators. They are facing significant challenges, as competition between them is intense; the cost to users of switching between horizontal portals is low (they can easily switch to other horizontal portals or, as their needs become specialised, switch to vertical portals), and technical changes to the portal (to upgrade facilities) must be managed carefully to avoid short-term loss of services, and subsequent loss of users (Sieber & Sabatier, 2003).

So how can horizontal portal owners survive? Sieber and Sabatier (2003) suggest that the following are strategies that existing horizontal portal operators can adopt:

- Develop and maintain brand identity. This can be costly as quality television, radio, and magazine advertising time is expensive.
- Try to improve site "stickiness," the amount of time users spend at the site. They can try to do this by profiling users (for customised services), changing content, providing local content, and improving their brand.
- Try to obtain *exclusive* content. This, of course, can be quite expensive, so the payoffs (say, through increased advertising or subscription) will have to be enough to justify the expense.
- Encourage "content" contribution by users by providing chat facilities or other forums.
- Bundle products by, for instance, linking e-mail services with information provision facilities.
- Become, or link up with, an Internet service provider (ISP). A form of "lock-in" occurs where users of the ISP automatically are channelled through the portal.

Content

In the end, the content and/or services provided by the model must match the revenue model that the portal operator has

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