

# COMPARATIVE STUDY OF INTERNET AND E-BUSINESS FIRMS

*Aman Goswami, Department of Supply Chain Management, Rutgers Business School - Newark and New Brunswick, Rutgers University, Newark, NJ 07102, [ag1814@business.rutgers.edu](mailto:ag1814@business.rutgers.edu)*

*Yao Zhao, Department of Supply Chain Management, Rutgers Business School - Newark and New Brunswick, Rutgers University, Newark, NJ 07102, [yaozhao@business.rutgers.edu](mailto:yaozhao@business.rutgers.edu)*

## ABSTRACT

Companies grow differently in the modern internet economy. Advertisement and subscription are two distinct revenue streams of the e-business model. We present descriptive research examining the revenue metrics of companies to depict insights such as, (1) Ad-based companies grow faster initially, but both ad-based and subscription companies' growth rates are comparable in the long run, and (2) Subscription companies are a safer bet initially, but ad-based companies are more profitable, and exhibit a "cross-over" effect. Key implications of these results for business strategy are discussed.

Keywords – e-business, internet firms, advertisement, subscription, business models.