

Overview of Paid-To-Click Advertisement

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Abstract – Paid to click advertising has been a form of digital advertising where users are paid for viewing advertisements. This paper is an effort towards briefly describing about how a paid to click service works and the basic features that are offered by most of the popular paid to click services.

Index Terms – paid to click. PTC, pay per click, PTC working.

1. INTRODUCTION

For a company with any form of product, it is very important to have a great marketing team so that they can reach out to more and more customers which will eventually lead to the growth of the organization. But advertising is not just confined to products, but over time has also been extended for multiple other domains such as commercial services, spreading social awareness, various commercial and non-commercial campaigns, and the list goes on.

But success of any of the aforementioned facilities or products cannot be achieved till the people are aware of it. And advertising is perhaps the most powerful tool for that.

But when it comes to advertising, it is indeed very expensive, especially if it's done over mass media like television, radio, etc. A cheaper alternative is to opt for local form of advertising such as putting-up posters, distributing pamphlet. But these suffer from many limitations such as confined to geographic area.

In this paper, we explore the features of the Paid-to-Click (PTC) Advertising service that has been a revolution since it was introduced in 2003.

2. RELATED WORK

Back in 2003, companies like EasyHits4U had started a revolution in the advertising sector by introducing a new form of advertising which is called Paid-to-Click often abbreviated as PTC Advertising.

The next revolution came in the year 2007, when ClixSense was started, followed by NeoBux in 2008. Though there has been numerous web services in this sector which have tried attempting the same, but unfortunately most of them had to close down within a year or so since they started their

operating. The mentioned ClixSense and NeoBux, because of the stable revenue system has been successfully operating for such a long time and in the PTC world are often referred to as the Queen and King PTC's respectively.

Over the years, even these sites have updated to cater to the needs of the industry and keep themselves going. The sites these days not just providing advertising as a service but a lot more than just advertising, which include tasks, micro jobs, offers etc.

These updates are form an integral part of these system as they also need to keep going with the norms of many governments from across the globe.

3. BASIC WORKING OF PTC

The websites are basically divided into two major segments.

- User
- Advertiser

A. USER

Getting to the working for the user, the user needs to register as ad-viewer. The users are needed to verify their email just to make sure that there are not spams being done to the system.

The users once verified are allowed to view advertisements that are published by the advertisers.

When an advertisement is clicked, it is usually opened up in a window consisting of a full width frame object that loads the host advertisement, that the publisher has requested to be displayed. A point worth noting here is that the advertisements are not stored with the PTC but are hosted elsewhere, may be an external website, or a file sharing service, or might even be a photo sharing network. The PTC's are often not concerned with where the advertisements are published as long as the advertisement can be reached with a web URL.

Once the advertisement has loaded, the user is required to view the advertisement for a certain period of time, during which usually a counter counts down the time after which the user can close the window.

Once the viewer has viewed the ad for the given period of time, the user's account is credited with the ad-value of the advertisement. The ad-value often varies with the duration for which the advertisement is to be viewed.

The ad-values for all the ads viewed by the user are cumulated to their account, and once the cumulative amount has reached a threshold value, the user is eligible for requesting a payment, more popularly called as payout.

During the payout, the user may request to transfer the amount to any of the available digital wallet systems such as PayPal, Payza, PerfectMoney, are just a few to mention. The digital wallets options available depends on the PTC website, as not all of the websites work with all the gateways due to various factors such as processing charges, payment approval time, etc.

Once the payout is requested, the payment of the user is transferred to the payment gateway of their choice, provided they fulfil are the required criteria and abide by and agree to the all the terms and conditions of the system.

B. ADVERTISER

The advertiser system requires the ad-publisher to register with the service as an ad-publisher. The ad-publisher may also be a user on the same website, but both the entities are dealt as independently.

Once the advertiser registers and verifies the account, they are needed to purchase ad-credit. For the ad-credit, they are required to pay and purchase ad-packs which are charged for some real money which can be paid by various payment gateways mentioned before.

After a successful purchase of an ad-pack, the ad-credits are added to the advertisers account. The advertiser can now publish advertisement. The ad-packs are usually charged on basis of multiple of 1000 ad-credits.

The next step is to publish an advertisement. The ad-publisher should get the advertisement ready for display on some public resource available on the internet. The resource can be their own website, a blog, a file sharing site, or even a photo sharing site like Imgur, where the advertisement might be published as a webpage or a picture depending on the requirements and the affordability.

The publisher, then need to create a new ad-campaign (each published advertisement is referred to as an ad-campaign) that usually is filling a form providing a title, description, and the web url of the advertisement. Then the publisher needs to allocate maximum ad-credits that will be used for the campaign. The user then requests for publishing the advertisement. The requested ad-campaign are validated manually by group of people called moderators to check if it satisfies the criteria and follows the terms and conditions of the

system. If there are no issues found with the campaign, it is published.

Once the advertisement is published, it is available for the ad-viewers to be viewed. When the advertisement is viewed by any user, ad-credits are deducted from the publisher's account and from the allocated ad-credit. Once all the ad-credits are exhausted, the ad-campaign expires and is removed from the normal user listings.

4. BASIC REVENUE MODEL

The basic revenue model is described below

¹Price of Ad-Pack for 1000 Ad-Credits = US\$ 1.5

²Amount Kept by the company per ad-pack = US\$0.5

Remaining amount = US\$ 1.0

Let the number of ad-campaigns be 1 with 1000 ad-credits allocated to it.

³Case 1: for ad-duration, 5 seconds

Let each ad-view of 5 seconds consume 1 Ad-Credit.

Total number of ad-views (by users) = $1000/1 = 1000$

Amount received by each ad-viewer (user) = $1.0/1000 = \text{US\$ } 0.001$

So the ad-viewing user receives US\$ 0.001 for each 5 second advertisement viewed by them.

³Case 2: for ad-duration, 10 seconds

Let each ad-view of 10 seconds consume 5 Ad-Credit.

Total number of ad-views = $1000/5 = 200$

Amount received by each ad-viewer = $1.0/200 = \text{US\$ } 0.005$

So, the ad-viewing user receives US\$ 0.005 for each 10 second advertisement viewed by them.

As is seen from ², the income of website is the amount that is retained by them.

NOTE: ^{1,3} are based on real time statistics from most common PTC sites, while ² is assumed.

5. ADDITIONAL INCOME SOURCES

The PTC website's these days, not just offer advertisements but many other forms of income which are briefly covered below.

6. PAID SURVEYS

The users are paid for filling survey which form an integral part of market research. The data collected by the surveys are used for various kind of analysis and are hence very important for the growth of the corporate sector. Some of the most popular paid survey services are CINT, OpinionSurveys, Toluna etc.

7. PAID OFFERS

This type of services including services where users are paid for availing various offers, which may be paid sometimes but are usually free. The most popular of this type of service are provided by OfferToro etc.

8. MICRO JOBS / TASKS

The users are paid for completing various tasks such as data entry, captcha solving, proof reading etc. The user is redirected to an external site which is being monitored by the PTC system for response of completion that is provided by the task provider host.

9. GAMES

Some PTC websites even offer games, playing which the player will earn in-game credits which can be exchanged for real money. The games can be of various types and are usually part of network that require more players for increasing their ranking among the games played in the world.

10. AFFILIATE SYSTEM

Most PTC's also feature an affiliate system, wherein a user can refer other users and earn commissions from the PTC network for bringing in more people. The revenue model for the affiliate system varies from company to company. While some provide the incentive amount from their profit, yet there are companies that add it as a surcharge to the advertisers.

11. IMPORTANT FEATURES

There are many other features that are an important part of the PTC system. These features, though not mandatory, but over the course of time has become a standard features that are an important factor in building user trust. These features are described below.

A. FORUM

This is the place where new people and even old people can reach out for support from the administrators or moderators. The forums are usually divided into various categories for the convenience of the user. The users are needed to post their queries in the discussion forum and depending upon the type of query it might be answered by the moderators or many times usually by other users.

B. USER LEVEL

Many PTC's implement a hierarchy of users, where users are provided additional privileges depending upon the type of the account the user has. While most of these are user-levels are paid, but at times, they are also provided as gift during various promotional events that are conducted over period of time.

C. BLOG

Many websites also provide blogs that are a great resource for people completely new to the system. The articles are usually

published by moderators and experienced members who have been working for a long time and are willing to guide others as well.

D. AUDIENCE TARGETING

One of the most powerful tool that the PTC's provide are targeting the audience. But the targeting can be done in many ways. The most common being the Geographic Targeting. In Geographic targeting, advertisements can be targeted for audience from specific geographic locations making thus reducing the audience who cannot afford the service due to geographical limitations. Another popular type of targeting is Interest based targeting, which is by far the best thing as not everyone is interested in everything. Thus a person interested in a product, say X will be shown advertisements related to their interest X, thereby increasing the chances that the viewer will avail the service/product, thereby increasing the efficiency of the advertising system.

12. CONCLUSION

The PTC has truly been a great revolution in the advertising sector. It has proved beneficial not just for the advertisers as highlighted above, but also has helped a lot of people, such as retired people, housewives, students etc. earn a few extra currencies in their spare time, while working from the comfort zone of their house.

The system has also increased the efficiency of the advertising system making it more streamlined and reaching out to people who are actually interested for the particular type of advertisement.

13. FUTURE SCOPE

In recent times, the PTC industry has been losing popularity because of the fact that the major international payment gateways PayPal has stopped supporting merchants from this field of industry due to huge amount of scams that has been done by many temporary companies/individuals, thereby making the sector questionable about the authenticity and the uniqueness of the users and the advertisements that are published. Yet with the trusted leaders like ClixSense, NeoBux etc. providing genuine and reliable service, the Paid-to-Click system can be expected to be going good without much problem, though it seeks for the user to choose wisely with which platform to work.

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