

Online Advertising Rate Types

Contributed by Administrator
Tuesday, 06 November 2007

There are four major rate types in online advertising. CPM, CPV, CPC and CPA.

- CPM (Cost Per Thousand Impressions) this type of rate is when the advertiser pays a certain amount for a 1000 impressions of his banner ad. In this type of advertising the publisher needs to pay constant attention to the campaign to watch the ROI and determine if the campaign is lucrative.

- CPV (Cost Per Visitor) here the advertiser pay for each visitor or user the publisher is sending him.

- CPC (Cost Per Click) in some cases you can find it as Pay Per Click (PPC). This is the situation where you, as an advertiser, pay for every click on your ad. This payment method usually in use with text ads. The payment is different for each target word, or key word, depends on the industry. For example, real estate related keywords will cost more per click than car related key words.

- CPA (Cost Per Action) sometimes called Cost Per Acquisition. In CPA basis you pay for every situation you call action. This could be download, registration, lead or other kind of transaction. When you know the value of a transaction to your business, CPA campaigns are very easy to maintain and create. This type of campaigns requires less handling than the other types.