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New ad model charges by the click

By Rose Aguilar
Staff, CNET News.com
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Procter & Gamble struck a deal with Yahoo that could set a new standard for Internet advertising.

The deal calls for Procter & Gamble to pay when users "click-through" its ads rather than when they only "eyeball" the images, according to Advertising Age magazine.

Procter & Gamble and Yahoo officials declined to comment on the new advertising model, which some industry analysts say will be bad for Internet business.

"This may have been a real good deal for Yahoo, but this will most likely cause other advertisers to think that they are going to get click-through rates as well. Advertisers are also going to think that this is a new trend, and that's real scary for publishers like myself," said Kevin Fadden, chief operating officer of content developer InterEdge. "Generally speaking, you pay a certain amount, and your ad gets exposed. And that's it."

Currently, companies advertising online pay rates based on the number of people who see their ads, regardless of whether they click on them. The cost per thousand viewers ranges from \$5 to \$80, depending on the target audience.

The price becomes costly when advertisers are guaranteed a target audience. For example, a PC manufacturer might pay top dollar for an ad on a technology site but less for one with a variety of content.

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