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TECH NOTES: Paying per click? Beware too much of a 'good' thing

JEFFREY KELLEY

POINT OF VIEW

Sunday, April 3, 2005

How many clicks does it take to get to the bottom of a bank account?

For companies choosing to pay to get links ranked high on major search engines, they do so by bidding on certain key words and paying per click, even if a Web surfer's visit to the site leads to no purchase.

The cost of the click depends on the key word that calls up the company link.

For example, the top bid for the word "bobblehead" was 71 cents last week on Overture Services Inc., a subsidiary and online marketing firm of Yahoo Inc.

Companies that choose "bobblehead" as a key word to call up their link on a search engine would get the top plug, so long as they pay 71 cents every time someone clicks on the site. (Other bobblehead-related companies paid as little as 5 cents, but their sites appeared lower on the listing of search results.)

The key of "pay-per-click" is to balance the clicking expenses with a solid return on investment, says Laurie Baldwin, chief executive of NetBaldwin LLC, a search-engine marketing firm in Henrico County.

But where there is potential for good business, there are the makings for corruption.

Welcome the click fraudsters.

"Click fraud" is a con that targets "pay-per-click" Web pages by repeatedly -- you guessed it clicking a Web page in an attempt to rack up the charges that advertisers have to pay.

NetBaldwin "has had some small instances of click fraud, though nothing that would be

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earth-shattering," said Jim Baldwin, the company's chief operating officer.

He said his company has been credited by search engines for the small cases of fraud, "in the range of \$5, \$10, \$20."

But before click fraud gets out of hand, there are ways of stopping it.

Search-engine marketing firms can track traffic on Web sites, and if the clicks are coming through repeatedly from the same IP

address, a red flag is raised.

"What we're finding is when we monitor the [ad] campaigns and we monitor on a very diligent basis, we can find things that are abnormal immediately," Jim Baldwin said.

Advertisers also can place caps on the amount of clicking that can be done on a link in any given time, which prevents fraudsters from draining bank accounts, Laurie Baldwin said.

A study by the Search Engine Marketing Professional Organization looked at 288 search-engine marketers and advertisers and found that most worried about click fraud but had not actually tracked it.

Just 10 percent of small advertisers thought click fraud was a problem, while no large advertisers saw it as a burdensome issue.

Mary E. Archer, president and founder of Strategic Ranking LLC, a search-engine marketing firm in Mechanicsville, said she hasn't experienced fraud yet. "Knock on wood."

"Fraud is out there in any industry," she said.

Another place for click fraud, Archer said, is companies clicking on competitor's links and driving up costs on rival sites.

"If companies are out there that are clicking on their competition's ad or paying someone else to do it," she said, "you want to be able to detect that."

Firms can track fraudulent activity through software programs. Google and Yahoo "pay-

per-click" services offer similar tracking.

With the right combination of tracking and site maintenance, Archer believes, click fraud can be contained.

Jim Baldwin agreed. "We think that there's more smoke there than fire."

Any ideas? Staff writer Jeffrey Kelley can be reached at (804) 649-6348 or jkelly@timesdispatch.com

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