**AUCTION BASED INTERNET ADVERTISING PLATFORM**

**INTRODUCTION:**

***What is Online Advertising?***

Online advertising is a marketing strategy that uses Internet as a medium to obtain website traffic and target and deliver promotional marketing messages to consumers. Online advertising is geared toward defining markets through unique and useful applications.

Since the early 1990s there has been an exponential increase in the growth of online advertising, which has evolved into a standard for small and large organizations. While traditional offline advertising is used by many companies to drive customers to their websites, many businesses are trying online ads (such as banners, pay-per-click ads, pay-per-call ads and pop-ups) in e-newsletters, on compatible websites, on search engines and in online versions of newspapers and magazines as a way of reaching people who use the internet for shopping or to gather information.

Online advertising is also known as Internet advertising.

**ADVANTAGES OF ONLINE ADVERTISING:**

A major advantage of online advertising is the quick promotion of product information without geographical boundary limits. A major challenge is the evolving field of interactive advertising, which poses new challenges for online advertisers.   
  
Online advertisements are purchased through one of the following common vehicles:

* Cost per Thousand (CPM): Advertisers pay when their messages are exposed to specific audiences.
* Cost per Click (CPC): Advertisers pay every time a user clicks on their ads.
* Cost per Action (CPA): Advertisers only pay when a specific action (generally a purchase) is performed.

Examples of online advertising include banner ads, search engine results pages, social networking ads, email spam, online classified ads, pop-ups, contextual ads and spyware.

**AUCTION-BASED INTERNET ADVERTISING:**

It is nothing but an auction type where number of advertisers participate and bid for the advertising space on web-pages. The advertisers will be using certain strategies to bid higher than the others. The advertising space will be assigned to the highest bidder. To focus on better auction, advertisers depend on an effective bidding strategy. It focuses on below points:

* To make all the products available at one place, so that the customers can be linked to different categories of a product.
* To upgrade the current bidding model.

In order to accomplish the above strategies, my model has a unique place named Advertisement Exchange, where biddings are placed for an advertisement on a single click. There are various strategies like getting the view history of a customer on various products, and depending on that the advertisers can think of a product to advertise. Categories, where customers can select their own interested categories while signing up, so that the advertisement will be displayed on their logging in page. Invoicing panel, where the billing information of the customer can be seen.

**MY MODEL:**

**Key Roles:**

**EXCHANGE** - system where auction takes place, publishers and advertisers will have key role here.

**PUBLISHER** - holds spaces, for which the advertisers will be bidding and the publisher will be compensated accordingly.

**ADVERTISER** – provides advertisements to be displayed and the advertiser with highest bid gets displayed.

**CONSUMER** – browse we pages, and clicks on the advertisement.

My model consists of an auction model, where bidding taking place inside one country. It consists of a single enterprise and bidding takes place inside that. It includes various organizations such as advertiser, publisher, supplier, Admin, Consumer, User account directories for all the actors. It includes two work requests.

1. Sign up work request for the customers to log in
2. Advertiser Work request where advertiser place a request to publishers for bidding for the space.

I have restricted the publisher Advertisement space to “Front Page Advertisement” and “Back Page Advertisement”. Advertisers bid for the spaces and the top most bid and their corresponding products will be displayed on the add space.

Suppliers create product and consumers will be logging on to the supplier work area to browse and purchase products.

Consumers while logging in, enter their bank details for any purchase and also select their top three favorite product categories. These categories will be considered while bidding, so that the top bid of their favorite categories will be displayed on their log in page in supplier work area. This will lure the consumers to purchase the products and accordingly, the publishers and advertisers will be compensated. Advertisers will be getting 80% of the revenue and publishers will be getting 20 percent of the revenue.

My model will have profile created for each of the users like advertiser, consumer etc. Each user can login and do their tasks, example an advertiser will be logging in and change few features in add, in order to attract consumers or a consumer will be logging in and click on the advertisement which they like.

As per the research topic which I included above, the advertisers will set the advertisement depending on the age group of the consumers. Example, if the

USERS:

PUBLISHERS:

Create Advertisement space.

Enroll Advertiser.

Manage Adspace.

ADVERTISERS:

Create product.

Create Advertisement.

Manage product.

Place bid for Adspace.

CONSUMERS:

Browse supplier page.

Click on the favorite advertisement.

Purchase the product if interested.

**OBJECT MODEL:**

Admin Organization

System

Supplier Organization

Network Directory

Advertiser Directory

Advertiser

Advertisement Catalog

Person

Publisher

Adspace Catalog

Adspace

Consumer Directory

Consumer

Supplier Directory

Product Catalog

Supplier

Product

Advertiser Organization

Publisher Organization

Consumer Organization

Organization

Enterprise

Enterprise Directory

Network

Internet Enterprise

Organiztion Directory

Work Queue

User Account Directory

Person Directory

Publisher Directory

Master Order Catalog

e

Work Request

User Account

Order

View History List

Role

Order Item

Advertisement

View History

SysAdminRole

Admin Role

Supplier Role

Ad Exchange Request

Sign Up Request

Finance Detail

Consumer Role

Advertiser Role

Publisher Role