One of the key advantages of online advertising is its ability to increase the effectiveness of other advertising media platforms. Case in point, ad campaigns that include Internet along with their presence on TV, radio and in the press achieve greater results in areas such as brand creation and recognition than those not integrating the Web.

Advertisers are somewhat reluctant to use the Internet as an advertising medium. This is sometimes due to the perception of there being little return on the investment, which in fact arises when online advertising is not used effectively. For instance, certain ads online can spark a great deal of curiosity among Internet users and generate a large number of clicks yet nevertheless have a low rate when it comes to converting hits into sales. Thus, pay-per-click becomes a double-edged sword that can discourage even the most convinced of advertisers. With the pay-per-call model, advertisers are charged only when they contact users via telephone. As with the “click through” model, a call should theoretically have a high probability of turning into a sale. Also, the cost of generating calls is a parameter that has been used in the past. Thus the effectiveness of this model is more comparable to that of other media than it is to those such as the pay-per-click model.

This new model is coherent with the process of the Internet becoming the integrator of different media platforms par excellence, including the interactive advertising market. Ad servers such as Double Click are already offering personalized ad spots at the beginning of on-demand videos that are available online to Web users. And just as video has been added, online advertising has for several months now been adding telephone to the services they offer.

Pay per call could prove to give a significant boost to the local online advertising market since advertisers do not even need to have their own website. For example, Ingenio, AOL’s pay-per-call platform, only requires advertisers to input the data offered in a telephone directory. In fact, this option is also available through AOL’s yellow pages.

At the moment, Google is only offering a beta version of this service, available at no charge. Google’s click-to-call system asks...
users to input a telephone number, which the service then dials. When users answer, they hear a ring tone as Google puts them in contact with the advertiser free of charge.

There is significant potential in it for Google. For starters, the service represents another source of revenues to add to its base source—advertising. Advertisers appear willing to pay a good deal more to receive a call from a potential customer than to get visitors to their website. Meanwhile, the company could become a rival for Skype. Up to now, the service is not based on VoIP, but when the technology becomes more developed it would not be a surprising to see the search engine integrate Google Talk. In that scenario users could make calls and not just to the companies that advertise through the search engine but to any company that appears among the results of a search.

And why not extend this service to the end users? Just as we agree to include our number in the telephone directories, Google could have a telephone list provided by consenting Internet users.

Basically, the pay-per-call model is another effort by Google to become an important player in the advertising sector and another step towards getting online advertising to take root among advertisers.