

An Overview of Google AdSense as a New Business Opportunity for Indian Entrepreneurs

Pravin Maroti Kuhikar*

Abstract

Google AdSense is owned by Google Inc. It is a free and simple program that facilitates website or blog owners to generate revenue by displaying targeted Google ads on their websites or blogs. Advertisers are individuals or organisations who pay Google for advertising with Google AdSense. Publishers are bloggers or website owners and Google allows them to show various ads on behalf of advertisers. Based on the content of the blogs or websites and audience, Google AdSense automatically sends targeted text, image, video, and rich media based advertisements on these websites or blogs. Publishers can generate revenue based on the number of times audiences of their websites click the ads. If any entrepreneur has its website or blog, it provides an excellent opportunity for them to generate revenue using Google AdSense. This topic will cover the basics of the Google AdSense and how online entrepreneurs in India can capitalize on this new business opportunity.

Keywords: Advertisers, Blogs, Google AdSense, Google Adwords, Publishers.

1. Introduction

Google AdSense is a free and simple program run by Google Inc. that facilitates website or blog owners to generate revenue by displaying targeted Google ads on their websites or blogs (Trimborn and Stone, 2012). Google AdSense is wholly owned subsidiary of Google Inc. When users visit websites or blogs, they might have noticed ads displayed at various places on the page they are referring. Those ads are mainly Google AdSense ads. Figure 1 shows Google AdSense Ads.

Publishers are bloggers or website owners who create content on their blogs and websites. Google allows them to show various ads on behalf of advertisers (Getgood, 2010). Advertisers are individuals or organisations who pay to Google for showing their ads on publisher's blog or website (Getgood, 2010). In other words, publishers are bloggers or web-owners who create content in their blogs or websites for generating revenue and advertisers are businesses or organisations who like to sell or advertise their products using publisher's blog. Google provides excellent business opportunity for online entrepreneurs through Google AdSense (Gulati, 2011).

In order to get understanding of Google AdSense program, entrepreneurs first need to understand Google AdWords program (Taylor, 2012). Businesses or organisations have to register themselves to Google AdWords program to reach targeted customers in no time and they pay Google to show their ads either on search engine result page of Google or on the content of a blog. Users might have noticed whenever they search something on Google search engine, a column of ads appear on right side of the screen. These are Google AdWords ads. Ads displayed on the content of blogs or websites are Google AdSense Ads. Google AdSense is a program designed for bloggers whereas Google AdWords is basically designed for business owners. Publishers (bloggers or website owners) have to register themselves with Google for Google AdSense. After Google approves the request of publishers, they will be allowed to show ads on their website or blogs. When visitors come to the publisher's website or blog in search of unique content and they click on Google AdSense ad, Google pays to the publisher for every click on the Ads. Google pays publishers from the money they are getting from advertisers, who pay Google

* Deputy Manager, Marketing, Bharat Petroleum Corporation Limited, India. Email: pravinkuhikar@gmail.com

Figure 1: Google AdSense Ads Courtesy: <http://www.about.com>

for each click. Google pays major part of the money to publishers and keeps balance as the commission. Google search engine is the topmost visited site in the world. Hence, Google AdSense program and Google AdWords program are very popular amongst the publishers and advertisers respectively.

2. Google Adwords

Organisations or individuals can advertise on Google through Google AdWords (Taylor, 2012). Google makes most of its revenue from Google AdWords which is an advertising program run by Google where organisations or individuals can advertise their products or services on Google. Organisations or individuals have to register themselves with Google AdWords before advertizing their products and services on Google with Google AdWords. After Google approves the advertisers, they can submit their Ads to Google for advertizing their products and services with Google Adwords.

Simply displaying ads on Google.com or any publisher's site i.e. blog does not cost the advertiser (Todd and Marshall, 2012). Google charges advertiser when someone clicks the ads. Advertisers pay Google for every click their ads receive either on Google.com or on any publisher site. Google charges per click depending on the keyword competition (Chen et al., 2009). A keyword is a word or combination of words used to search information or data from the search engines. If there is very less competition for any keyword of product or service, people

can advertise for as low as 5 Cents a click. But, if there are so many keywords and competition is high, people bid as high as 100 Dollars per click. Figure 2 shows Google AdWords Ads.

Since Google is the most visited site in the world, advertisers are ready to pay to Google to advertise their products and services with Google to have instant online advertising presence which helps them to increase their website traffic and customer base, increasing sales and enhancing brand image.

3. Google AdSense

Google AdSense is one of the best, effective and the most popular online advertizing media (Ledford, 2008). Organisations can advertize their products and services on the millions of publishers' blogs or websites using Google AdSense. Blog or website based advertising using Google AdSense involves payment in some way or the other to the blogger or website owner. Owners of popular blogs will typically capitalize on their readership numbers via combination of ad formats and Google AdSense ads. Thus, Google AdSense provides excellent enterprising opportunities for individual bloggers. If blog or website is of mobiles, Google AdSense will show ads related to mobiles phones i.e. Google AdSense will show targeted Ads related to the website or blog. Hence, Google AdSense is also called as contextual advertising (Comm, 2008).

Figure 2: Google AdWords Ads Cortsey: <https://www.google.co.in>

It is important to understand two important terms i.e. Click Through Rate (CTR) and Cost Per Click (CPC) for further understanding of Google AdSense.

Click Through Rate (CTR): Click through rate is number of times AdSense Ads were clicked divided by number of times AdSense Ads were displayed. For example, if 300 visitors visit a blog and view average 2 pages and click 20 times on AdSense Ads then CTR will be

$$\text{CTR} = \frac{20 \text{ Clicks}}{300 \text{ visitors} \times 2 = 600 \text{ times your AdSense ad displayed}} \times 100 = 3.33\% \text{ CTR}$$

Thus, higher the CTR more number of visitors are interested in the Ads of the product and services.

Cost Per Click (CPC): Cost per click is the amount earned by the individual blogger when user clicks on AdSense Ads on his blog or website. CPC is dependent on the advertisers that how much they are willing to pay per click.

Thus, more number of clicks indicates that users are interested in particular product and service. Organisations can capitalize on this by the increased sale of their products and services, improved brand image, increased online customer base etc. Individual bloggers can also augment their entrepreneurship capabilities with more

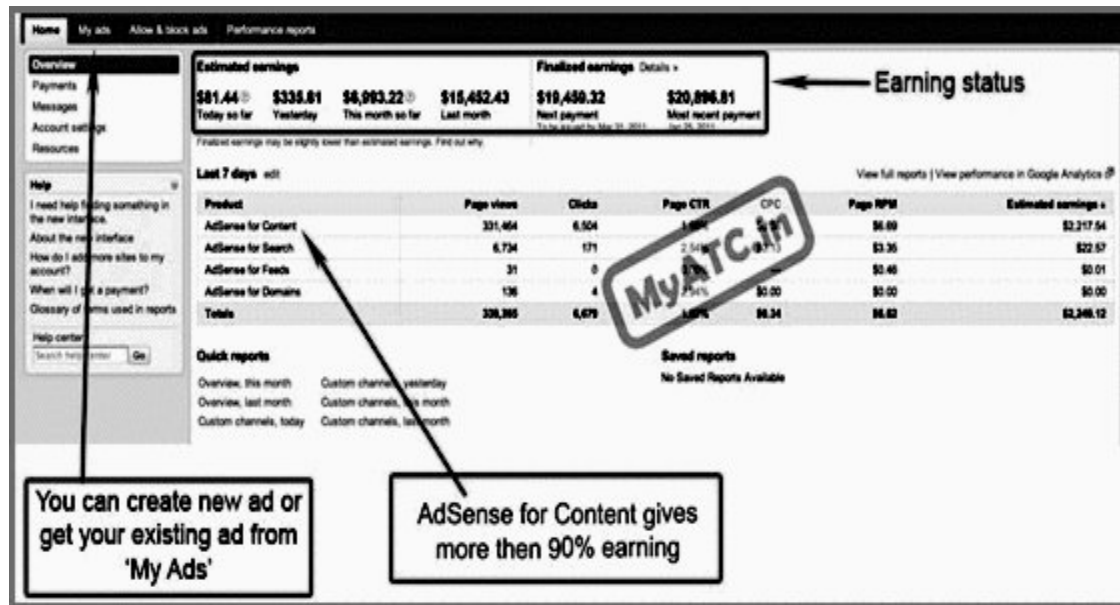
number of clicks resulting into more revenue generation

Publisher needs blog or website unique content for the blog or website, good visitors' traffic to the website or blog and Google AdSense account to start advertising for organisations(advertisers) using Google AdSense. Bloggers need to install AdSense plugin in the blog to start advertizing using Google AdSense (Hussey, 2010).

3.1 Pre-requisites for starting Google AdSense Account (Ledford, 2008)

Before starting Google AdSense account, it is necessary that

- i. Blog or website should be ready with AdSense plugin. In computing, a plugin (or plug-in) is a set of software constituents that adds specific capabilities to a major software application e.g. Adobe Flash Player, QuickTime etc.
- ii. First post in the blog should be at least 1 month old.
- iii. Blogger should have posted 4-6 unique content articles on his blog.
- iv. Blog should have all the basic plugins with XML sitemap. Extensible Markup Language (XML) defines rules for encoding documents in a format to make readable by machines and humans both.

Figure 3: Google AdSense Webpage after login Courtesy: <http://www.google.com/adsense>

3.2 Sign-up for Google AdSense Account

Bloggers can follow the procedure given below to sign-up for Google AdSense account.

- i. Visit <http://www.google.com/adsense>.
- ii. Click 'Create An Account'.
- iii. After clicking Create An Account, a new webpage opens. It is better to sign up with existing Gmail account. For this, click 'Yes, proceed to Google Account sign in' and then login with existing Gmail account. If Gmail account is not there, blogger has to create Gmail account before proceeding further.
- iv. After clicking as indicated above, it asks the information like name of the blog, and content language. It also highlights Google AdSense program policies. Bloggers should read Google AdSense program policies carefully and thoroughly so that their account should not be deactivated by Google Inc. for breach of these policies. After this, click continue.
- v. After clicking continue, it takes user to the next step where it asks the personal information like country or territory, account type, payee name, address, city, phone etc.

After filling all the details, click on Submit My Application and application will be submitted. Google goes through all the details and sends the reply to the blogger about approval status through email. If bloggers don't receive

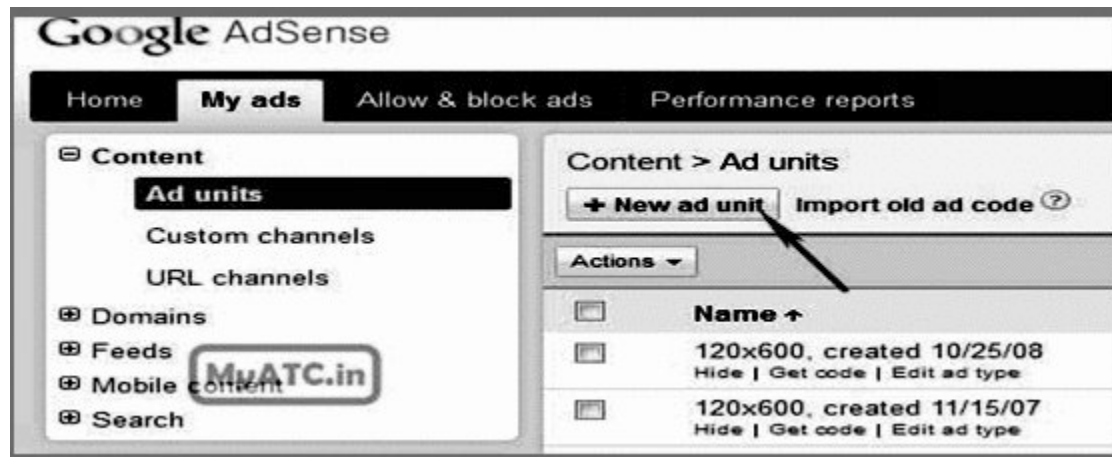
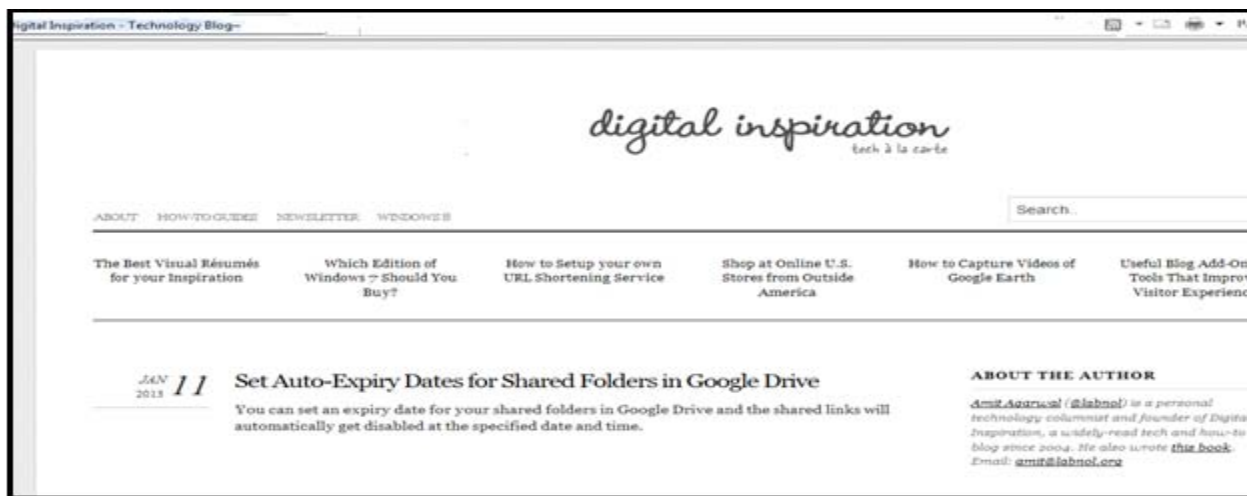
any reply within seven days, either they can check their Spam folder or try to login to their AdSense account to know the status.

3.3 Logging on to Google AdSense Account

After logging on to Google AdSense account, a screen appears as shown in Figure 3.

If account is new, no report will be available. After clicking on 'My Ads' as shown in the Figure 3, it shows different types of AdSense ads as given below.

1. **AdSense for Content:** AdSense for content is a way for website publishers to display Google ads on their website's or blog's content pages. The ads are related to what users of the blogs are looking for on bloggers site. AdSense for Contents is widely used for advertising. Hence, it is advised that bloggers should focus more on this type. They can be in the form of text ads, link ads, and display ads. Text ads do not have graphics, just text and a link. Link Ads are not the ads but they are link to the ads. Display ads show image ads, video ads, and flash ads. These ads can be shown in different sizes on the blog or website.
2. **AdSense for Search:** Bloggers can use this functionality to provide Google-powered customized searches to his incoming visitors. With a Google

Figure 4: Inserting Google AdSense Ads in Blogs Courtesy: <http://www.google.com/adsense>**Figure 5:** Blog Courtesy: <http://www.labnol.org>

search box, visitors can search the web from bloggers site. Through AdSense, ads targeted to search terms are shown next to results. When visitors find these ads useful, they click on them and this gives revenue to bloggers.

3. **AdSense for Feeds:** AdSense for feeds allows publishers to generate revenue by positioning targeted Google AdSense ads in their feeds e.g. RSS (Rich Site Summary) Feed. AdSense for feeds works the way the rest of the AdSense program works i.e. by delivering ads that are relevant to blogger's content and their readers. More the number of subscribers for the blog, more opportunity for publishers to capitalize on AdSense for Feeds.
4. **AdSense for Mobile:** There is new trend which is rising very rapidly and that is the ability to con-

sume online content on mobile phones. Users of Smartphone with big screen like iPhone, Samsung Galaxy etc. can operate the Internet with convenience and with this new revolution there is a very big increase in the mobile Internet users. AdSense for Mobile Content now places an AdSense unit optimized for mobile phones on webpages viewed on high-end devices like iPhones. All the text, links and graphic Ads can be used in mobiles.

5. **AdSense for Games:** AdSense for Games are games creators. With the new feature, game creators can show video ads, image ads, or text ads within games to generate revenue.
6. **AdSense for Video:** AdSense for video allows publisher to generate revenue from his video. AdSense for video utilizes the Google Interactive Media Ads

(IMA) SDK technology which allows publishers demand ads from within the Flash video player.

3.4 Insert AdSense Ads on the Blog

To place AdSense Ads on the blog, Google provides a Java Script Code to the blogger. Blogger has to use this code with AdSense plugin. Blogger has to login to AdSense account, then click My Ads and then click on New Ad Unit as shown in Figure 4.

After clicking on New Ad Units, it asks different options for Ads settings like Ad size, Ad type, and Ad style. After filling all these details, blogger has to click “Save and get code” to get contents through some plugins or in sidebar so that visitors can see the AdSense ads.

3.5 Blogs and Its Promotion

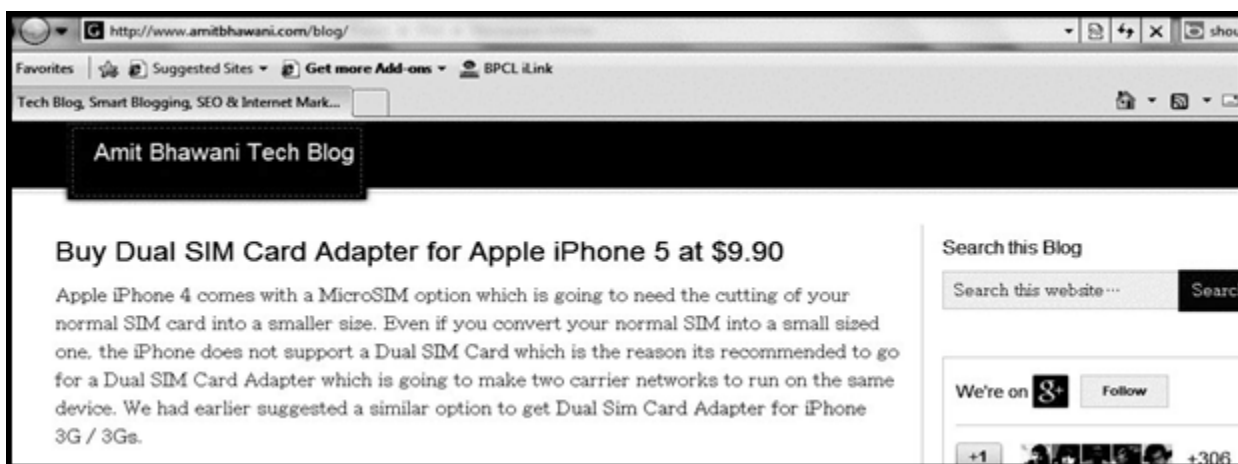
Blog is an abbreviation of ‘weblog’. A blog is a website or its part on which an individual or group of users record opinions, information etc. on regular intervals (Gardner and Birley, 2012). Entries called ‘Posts’ are commonly displayed in reverse-chronological order i.e. the most recent post appears first. Figure 5 shows a typical *blog*.

Most of the blogs are interactive in nature and allow visitors to submit comments on the posts (Rowse, 2011). Visitors can even message each other on the blogs and thus can act as word-of mouth spread about marketers which can influence buying decisions of consumers (Padmanabhan, 2008). This interactivity differentiates blogs from other static websites. Hence, blogs can be regarded as a type of social networking (Kotler et al., 2010). Bloggers do not only create content to post on their blogs but also construct social relations with their visitors and other bloggers and blogs (Evans and McKee, 2010). Hence, blogs are very popular. Blogs can be used as important marketing communications tools for online entrepreneurs and corporations (Raina et al., 2012).

To generate revenue from blogs using Google AdSense, blogs should have good traffic of visitors so that they click on Google AdSense Ads. Hence, it is very important to promote the blogs to increase visitors’ traffic for revenue generation (Barker et al., 2012). Some of the effective methods of blogs promotion are discussed below:

1. **Post Unique Contents:** on Blogs and respond to feedback to initiate interaction with visitors and instill trust in them.
2. Blogger can promote blogs using *Social Networking sites* like Facebook, Twitter etc.
3. Blogger should *e-mail* to subscribers to follow up and get in touch with the subscribers.
4. **Social Bookmarking:** Social bookmarking entails saving bookmarks (web addresses) to a public Social bookmarking websites like Digg.com or Delicious.com so any blogger can access these social bookmarks from Internet. Blogger’s favorite bookmarks are also available for other people to view and follow. This may go viral provided the links are very useful so that people can bookmark and share the same.
5. **Image and Video Sharing Sites:** Blogs can be promoted on Image and Video Sharing sites like YouTube, Flickr, SlideShare etc. If contents have creative images or videos, these sites have potential to make contents viral.
6. **Free classified sites:** Blogs can be advertised on free classified sites like Craigslist, QuickR, OLX, Sulekha, etc.
7. **Blog promotion by Paid Methods:** More traffic can be generated for the blogs using paid methods like Google Adwords, direct advertising on popular social networking sites like Facebook, Twitter etc., placing paid advertisements in popular blogs and using newsletters like Abewer Auto Responder.

Bloggers can multiply their Google AdSense with more visitors on their blog and also by increasing their CTR or by increasing CPC or both even with the same number of visitors (Garrett and Rowse, 2012). People will click the ads on blogger’s site either if they think Google AdSense ads don’t look like the typical ads or if there is something they are highly interested in. They will click the ads if they think this is part of the blogger’s site and will provide more info on the topic they are searching for. They will also click the ads if they think blogger’s site is not able to provide the info they are looking for and Google AdSense ads on blogger’s site is filling that gap. Hence, bloggers have to take care of these aspects while putting Google AdSense Ads on their blogs to increase their CTR or CPC or both.

Figure 6: Blog of Amit Bhawani Courtsey: <http://www.amitbhawani.com>

4. Success Stories

4.1 Amit Agrawal

Amit Agrawal is a Computer Science Engineer from IIT and earlier worked at ADP Inc. In 2004, Amit quit from ADP Inc. to start his own blogging and started his blog <http://www.labnol.org/> (Figure 5). Amit's Digital Inspiration blog (<http://www.labnol.org>) is now very popular. He writes about computer software, consumer gadgets, and web applications on his blog. Digital Inspiration (Agrawal, 2004) has more than 3 million average monthly page views. His blogs has been refereed in most of the popular publication like Forbes, The Wall Street Journal, CNBC etc. The site has been suggested in India Today, Business World, Outlook Magazine and CNN Go. It has also been marked as a success story on the official Google AdSense blog and also on the YouTube India website. Amit Agrawal earned around INR 2 Crores last year with his blog and chief source his income was Google AdSense.

4.2 Amit Bhawani

Amit Bhawani holds MBA degree from Hyderabad and is a full time blogger since 2006. He started his own blog (Bhawani, 2006) [amitbhawani.com](http://www.amitbhawani.com) in 2006 which is mainly a technology blog.

Amit now owns a company Digital World Solutions with 40 sites and blogs registered under it covering mainly

technology, health, automobiles, and education. Amit has witnessed 100 percent year-on-year growth in his blogging revenue and earned INR 1.2 Crores last year from his blogs with 70 percent revenue coming from Google Ad Sense.

5. Conclusions

Google is the most visited site in the world and Google AdSense is a simple advertizing program to show targeted Ads in blogs or websites. Companies prefer Google AdSense for their online advertising to take advantage of global widespread presence of Google which provides them instant online advertising presence. With Google AdSense, companies target to increase their website traffic and customer base, increasing sales and enhancing brand image. Hence, they are ready to pay to Google for their online advertising program. This in turn provides business opportunities for online entrepreneurs to generate revenue by displaying targeted Ads on their blogs or websites using Google AdSense.

Though Google AdSense is very popular amongst online entrepreneurs in developed countries, it is in nascent stage in India. However, success stories of Amit Agrawal and Amit Bhawani corroborates that Google AdSense can be a successful and excellent business opportunity for Indian entrepreneurs also. Indian online entrepreneurs can therefore capitalize on Google AdSense as a new business opportunity.

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