

# Ads with Benefits: Field Experiments in Reward Advertising

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## Abstract

Reward advertising offers users incentives, such as virtual currency or access to premium features, to engage with ads, potentially addressing conflicts between advertisers, publishers, and users in the online advertising industry. This paper investigates whether reward ads benefit publishers by examining their impact on publishers' profitability compared to traditional ads, their effectiveness in generating revenue for premium features, and determining the optimal reward size. Using field experiments on a global social networking platform, we will evaluate the profitability of reward ads relative to non-reward ads and paid access. Additionally, we will demonstrate a concave relationship between publishers' profits and reward size, identifying the optimal reward size for publishers. The findings aim to provide publishers with insights for maximizing ad revenue while balancing reward costs and user engagement.

*Keywords: Reward advertising, Monetization, Field experiment*

*Track: Digital Marketing & Social Media*