

Two Weeks, 95 Clicks on Google

by Kendall Callas, Copyright 2009, writer@microCounsel.com, (415) 821-1310 – 2,300 words

You've heard that the newspaper industry is in trouble. The number of pages in my daily newspaper (the San Francisco Chronicle) has shrunk significantly.

Where has it all gone? To the web, of course. Classified advertising is so much more convenient and powerful via Internet – for all parties. Who hasn't heard of CraigsList? To "Google" is now a common term in multiple languages; naturally, advertising had to follow – it may not be the world's oldest profession, but it's close.

If you've got cash during a down economy, it's good strategy to increase marketing efforts to expand market share while your competitors are struggling. So, now is the time for you – consultant, inventor, entrepreneur, and business large or small – to try out an incredible new tool that delivers convenient, economical access to a vast sea of buyers actually searching for your product.

SEARCH MARKETING

You've probably noticed the text ads that appear alongside the results of a Google search. You, too, can sponsor a keyword!

But what's all the buzz about? Why have sponsored search terms drawn so much action from other types of advertising? Pay-per-click advertising, as it's commonly called now, is of course only a small part of marketing. But it is one of the few types of advertising that is self-selected – viewers actually want information about the keywords they type into Google, which trigger the individual ads.

The big deal is that search engine ads play to motivated viewers. And they deliver action – clicks! Unlike most forms of advertising, you don't pay for 'impressions' (appearances on a newspaper/magazine page or TV screen), you pay for results – visitors to your website! Whereas print or TV/radio advertising may play to uninterested audiences that tune out ads, viewers of pay-per-click ads have actually pre-signalized interest. Each search that triggers your ad delivers a prospect that is far more qualified than almost any other type of advertising. And all those ads that don't perform are free – you only pay when the viewer bites!

PAY-PER-CLICK STUDY

I conducted a small study of pay-per-click advertising on the three major search engines. I wanted to know what types of business could benefit most from this kind of marketing. I'd had some success sponsoring search terms on Google, Yahoo, and MSN to sell my own consulting services, but I wanted a better understanding of this powerful new tool.

My research helps answer these questions:

- For what types of business do pay-per-click ads work best?
- How much does it cost?
- Which search engine is best?

When you do a Google search, "Sponsored links" display in paragraphs along the right side and sometimes across the top of the screen. They consist of a headline, a couple lines of text (70 characters), and a clickable link to a web page. If you do a Google search for 'aerial photos', along with your search results, you might see an ad that looks like this:

Aerial Photography
Helicopter/airplane, still/video.
Bldg inspect, litigation experience
(web address)

ONLINE CONVENIENCE AND EXCITEMENT

Besides its effectiveness, another reason for the rising popularity of pay-per-click advertising is its difference from traditional advertising.

Traditional forms of advertising are generally expensive, demanding, full of deadlines, and are no fun. Pay-per-click advertising offers online convenience: No need to pay in advance or even plan in advance. If you've got a credit card, you can launch a pay-per-click ad campaign at midnight, from work or home (anywhere you've got Internet access), and it takes mere hours to setup.

Two aspects of search engine advertising make it fun: It is 'self-serve' and it's an auction. The only skills required are common sense and the ability to work your way through web forms; most users do it entirely by themselves and never speak to a rep.

Bidding makes pay-per-click ads especially unusual and lends an aura of fairness. You bid for each keyword that you elect to sponsor. If yours is the top bid for the keyword

'barbecue', then when a user searches for 'barbecue', your ad will appear in the first (top) position, earning the most 'eyeballs' (impressions). Your bid is the price your credit card will be charged if the user clicks on that ad.

Many advertisers find the auction aspect exciting; for most, though, the excitement subsides into tedium as they realize the frequently changing bids mean they must tend their ad campaigns on at least a weekly basis.

KEYWORDS AND BIDS

I recruited several friends and associates with likely businesses – an unscientific but realistic sample. Then I launched a short but bright advertising campaign for each. Here's the list of the eleven businesses I setup on Google Adwords (and a few sample keyword bids):

- Astrologer (\$1.00 for 'astrologer', \$2.60 for 'psychic')
- Aerial Photography (\$1.30 for 'aerial photography', \$1.00 for 'aerial photographer')
- Building Inspector (\$4.75 for 'home inspector', \$2.50 for 'building inspector', \$0.50 for 'housing inspector', \$8.75 for 'expert witness')
- Catering/BBQ (\$2.50 for 'catering', \$0.50 for 'BBQ')
- Chiropractor (\$4.25 for 'auto accident', \$3.75 for 'chiropractor', \$1.00 for 'ergonomics')
- Computer Consultant (\$6.75 for 'network support', \$4.75 for 'computer consulting')
- Forensic Accountant/CPA (\$5.00 for 'divorce')
- Litigation Support (\$7.25 for 'litigation support')
- Massage Therapist (\$3.50 for 'massage therapist', \$1.75 for 'in-chair massage', \$0.20 for 'massage specialist')
- Microsoft Word Support (\$2.75 for 'Microsoft Word training', \$1.00 for 'legal macros')
- Tax Accountant/CPA (\$3.75 for 'tax accountant', \$2.50 for 'taxes')

GOOGLE ADS

For each of my 11 sample businesses, I created a Google ad with a link to a simple web page presenting a picture, description and pricing. Here are a couple more example ads:

In-Chair Massage - SF Bay
Relax! Soothing massage increases
productivity. Reduce stress, injury
SoothEnergize.com/Relax!

Microsoft Word Support
Nationwide training, phone support.
Macros, templates, consltg, convrsn
www.microCounsel.com/MSWord

For a week or two I tinkered with campaign settings, selection of keywords, and the careful wording of the ads.

AD TIPS

It's important to set a maximum daily budget, say \$5 to 20 per day, to control what you hope will be a fire hose flow of response, and to reduce the problem of click fraud.

Repeat your keywords: 1) in the text of your ad (preferably in both the title and description), 2) in the text of your web 'landing page', and 3) in the HTML keyword meta command of your landing page. This will lower the minimum required bid and increase ad display frequency.

Most search engines allow use of a 'Display URL' at the bottom of your ad, as opposed to the web address of the actual 'landing page'. The Display URL may be any valid address at your website – existing or nonexisting. As in the two examples above, I recommend that you take advantage of this flexibility to make your web address more motivating. Add a made-up folder name to the right of your web address. Why list simply **www.microCounsel.com** when you can specify **www.microCounsel.com/foldername**. Follow the slash with a keyword or motivating term.

Some of the rules the system imposed on ad wording were annoying:

- 25 characters is tight for a good headline.
- DON'T YELL in all caps.
- Only one exclamation point allowed!!

CLICKS FOR SALE

During the two-week study, 95 clicks were generated for the 11 businesses at an economical total cost of \$143.15 (average cost per click, \$1.50). Here's the count:

Clicks	Type of Business	2-Week Cost
34	Aerial Photography	\$ 38.35
24	Catering/BBQ	49.58
21	Computer Consultant	31.30
8	Astrologer	9.00
5	Microsoft Word Support	3.75
3	Building Inspector	11.17
0	Chiropractor	0
0	Forensic Accountant/CPA	0
0	Litigation Support	0
0	Massage Therapist	0
0	Tax Accountant/CPA	0

These results suggest that pay-per-click ads work best for easily-visualized tangible products or those with a commodity appeal; in other words, the consumer knows what to expect. I would predict that ‘psychologist’ and ‘banker’ would not do well, but ‘circus clown’ or the ‘first edition’ of a book would draw clicks.

All those businesses which yielded zero clicks suggest that the marketing of many important or traditional products/services has not (yet?) fully transitioned to the Internet: I predict lawyer- and doctor-related keywords will be slow to manifest on the Internet while food terms and ‘psychic’ will thrive.

BIDDING AND SCHEDULING TIPS

- Why duke it out for first place and pay top rates? Aim for the third or fourth slot. Getting your ad placed on the first page of search results is critical; getting it placed high but not too high on the first page is a good value.

- End your bids with a penny, like \$1.61 – you’ll always be a nose ahead of those rounders.

- At the Campaign level (which may contain one or more Ad groups), you may set several key parameters controlling when your ads are displayed. Give careful consideration to time of day, days of the week, geographic area (countries, states), and language.

- No business should run ads 24/7. For example, to focus on business users, trim your schedule to display ads only on weekdays, during business hours (6:00 am to 6:00 pm) – this will keep costs down and improve the quality of the clicks. If you market to school-age kids, it may not make sense to display your ads during the hours they're in school. You might also want to limit your ads to display only when you're there to answer the phone. You can avoid extra work if you plan your weekly schedule before you create your ad(s).

- Narrow your geographic range to the U.S., a state or two (California), or your geographic area (San Francisco-Oakland-San Jose). No point in paying for clicks you can't service. Most businesses will want to start by focusing on local viewers to reduce delivery/shipping costs.

- Keep your daily budget low to minimize click fraud – harassment by vandals and competitors designed to cost you money.

- Choose **not** to display your ads on the 'Content network.' Your most important market is the people actively searching for your product or service – they're gold. The 'Content network' displays ads on websites and alongside articles – those viewers are not actively searching for you, so ignore them. The further you get from people actively searching for your keywords, the less your ad will pull.

TYRANNY OF THE COMPUTER

I used to see a certain beauty in Google ads as mechanisms of a pure, unregulated marketplace. But nowadays, Google Adwords uses an advanced 'algorithm' to drive up bids on keywords with commercial potential. They say that Google's motto is "Don't be evil"; I think it may have evolved into "Don't leave money on the table." Almost daily during the first few days after creating a new ad, expect Google's system to tag some of your perfectly competitive bids with the message "Bid is below first page estimate of \$xx." If you don't ante up, your ad won't show.

I found one clear and predictable relationship: The closer a keyword is to money, the higher the required minimum bid:

- \$12.00 for 'computer network consultant'
- \$8.75 for 'expert witness'

- \$8.75 for 'network consultants'
- \$7.25 for 'litigation support'
- \$6.75 for 'network support'
- \$5.00 for 'divorce'

Your results may vary. Google charges less for keywords that are highly relevant to your ad text and landing page, more for keywords that are less relevant. In the example above, the high cost of the 'divorce' keyword is because the ad did not include the word 'divorce', but instead used the phrase 'marital dissolution'. This problem can be minimized by creating more ads, and repeating keywords verbatim in the ad text.

MARKET INEFFICIENCY

Markets where competition is controlled by other factors, such as barriers to entry, display lower competition for keywords (lower bids). For example, in the accounting field, an industry significantly controlled by education and certification requirements, a bid of only \$1.00 controls 'forensic accountant' and \$3.75 for 'tax accountant'. Highest bids were found in the relatively new and unregulated world of business computer consulting – \$12.00 for 'computer network consultant', \$8.75 for 'network consultants', and \$6.75 for 'network support'.

The April 1 through 15 test period seemed likely to produce good results for tax preparation, but the reality was a surprise. Zero clicks were generated for 12 tax-related keywords, suggesting that consumers still prefer word of mouth or print advertising to guide them to tax preparers. The 3,651 impressions those keywords generated certainly indicate interest in some kind of product or service, probably tax software, online tax filing, or perhaps offerings from recognized brands.

COMPARISON: GOOGLE VS. YAHOO VS. MSN

Because of subtle differences in audience, the cost and quality of clicks varies significantly between the major search engines.

A one month test of select keywords offers this comparison of Google / Yahoo / MSN. A test basket of keywords generated 145 clicks during a month's test:

Search Engine	Clicks	Impressions	Spend	Avg Cost/Click
Google	92	18,912	\$ 64.77	\$ 0.70
Yahoo	34	6,744	22.48	0.66
MSN	19	3,931	8.49	0.45

CONCLUSIONS

Pay-per-click ads can economically generate customers for many businesses. Results were best for products that made a highly specific appeal – to local consumers or for a concrete product. If you are a video store in Fresno, there's no point in paying for global clicks. If you sell hydromechanical auto-flamigators, search term advertising may not be for you.

A separate study (of the chocolate industry) supports the conclusion that this kind of advertising offers the best opportunities for new industries, or those in which competition is not well-developed. If you are a San Francisco artisan chocolatier, or a professional eXtreme biker, you should jump into sponsoring search terms. Lawyer- and accountant-related keywords generated poor response.

Every business, new or old, should look into advertising on Adwords.google.com, Searchmarketing.yahoo.com, or Adcenter.microsoft.com. – powerful tools for direct access to a national or a world market. Pay-per-click advertising also offers a cheap and fast way to test new offerings, a private arena – hidden from competitors' eyes – in which to conduct marketing experiments with variations in pricing and product attributes.

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