



BEGINNER'S GUIDE To Online Advertising

BEGINNERS GUIDE TO ONLINE ADVERTISING

How to Pay to Play and Win

Remember when everyone thought the internet was free? You put your message out there, and suddenly traffic came to your website. It was like magic. Well those days are gone. Today if you want to drive traffic you are competing with so many other messages you need to push you way to the top of the page with a little advertising.

If you are ready to start spending or you already are, but are not sure you are making the right choices? ***This is the guide for you.*** Discover the pros and cons of different types of online advertising so when you spend, you'll spend wisely.

Contents

Beginners Guide to Online Advertising	2
Vocabulary:.....	3
Is Internet Advertising Right for Your Business?	4
Every advertising option has a niche.....	5
Where Should You Advertise?	7
Can you afford internet marketing?	9
How to Get Better Results	10
It's Time to Get Serious About Online Advertising	11

Vocabulary:

There are a few terms which pop up again and again as you sort through your on line advertising options. Confused by the jargon? Refer to this list:

- Key Word - Individual words or phrases which you believe people use when they search the web for information about products or services like yours.
- Sponsored/Promoted Posts and Tweets - This type of advertisement typically appears in the newsfeed. Your advertising cost goes towards displaying the post to a wider than normal audience.
- Pay Per Click (PPC) - This is an advertising model which is only possible in the age of the internet. Instead of paying for views (as with radio or TV) you only pay when someone clicks your advertisement. The advantage? Your ad may be seen many times, but you'll only pay for the people who are really interested in what you are selling.
- Click Through Rate (CTR) - This is how you measure your success. It compares the number of people who see the advertisement to the number who actually click through to the website. It may be expressed as a percentage or a decimal.
- Impressions - This is the total number of people who saw the advertisement in their newsfeed or while they were searching. The vast majority will barely notice. In theory, if it appears again and again, eventually they will begin to recognize the brand and possibly click through to the website.
- Banner Advertisement - A graphical image, usually in the shape of a rectangle, used as an advertisement on a website.
- Button Advertisement - A graphical image, usually in the shape of a square, used as an advertisement on a website

Is Internet Advertising Right for Your Business?

Are you running a transactional or relationship business? Once a customer buys from you, what is the likelihood they will be back for more? Let's explore the different types of business and products that can benefit from digital advertising:

High Margin Product –Single Purchase

With a low likelihood of repeat business, this type of product is always on the hunt for their next client. For example funeral home services, criminal defense lawyers and cosmetic surgeons are typically “one and done” purchases (at least we hope so). The high margin on their transactions makes the return for a small but effective advertisement attractive. It helps if your sales process allows you to effectively convert a high percentage of the leads your advertising generates.

High Lifetime Value –Multiple Purchase

In these industries all you need is an introduction to a potential customer. Industries like auto repair, dental practices and hair salons see reoccurring revenues once they work with a new client, assuming they do a good job. In these industries, investing in advertising to introduce your business to new customers perpetually pays off. It's up to you to have other marketing in place to keep them coming back.

Hard to Find Products

When consumers can't find an obscure item at the neighborhood Wal-Mart they are likely to turn to the internet. In niche industries advertising puts message in front of prospective customers when they are in shopping mode. For example: repair parts for products which are no longer in production, collectables, hobby supplies or rare first edition books. There may not be a huge market for these unusual items, but the people who want them are willing to pay for the products when they find them. Advertising helps them find you.

Seasonal Products

Flower shops on Mother's Day or Valentine's Day and costume shops on Halloween can spike their sales with a short term burst of advertising leading up to the event. Last minute shoppers are likely to turn to the web to find what they need instead of driving all over town. If you have a product, service, promotion or offer for a limited time, search advertising can fill a need.

Every advertising option has a niche

There is a good, legitimate reason to use almost any online advertising tool. Finding the best tool for attracting customers to your business is part of the process. Let's take a look at the major players:

Google Ads (Formerly known as AdWords):

Want to reach consumers when they are in shopping mode? AdWords, also known as pay-per-click or PPC advertising, allows businesses to present a message when people are specifically looking for a product or service. These ads appear in the sidebar and header of Google search results, only differentiated from the organic search results by a faint yellow background.

PPC works especially well for services in which people do not have a lot of experience in the purchase process, such as legal services, appliance purchases and cremation services. Other search engines, including Bing and Yahoo, also offer advertising. While the ad rates will be lower, you're taking the risk of reaching a much smaller [audience](#).

The Yellow Pages (YP.com)

For most products, services and market segments, the Yellow Pages are no longer a good choice. Declining use of the Yellow Pages has left the venerable book scrambling to keep up online, but it's largely been left in the dust. If you are targeting senior customers in a specific city or county, carving out a small portion of your online advertising budget for YP.com may be effective.

Yelp

Yelp is an online consumer review tool. Customers search for everything from the best Indian restaurant in the city to the best roofer. Yelp offers premium listing placement to paid advertisers. If the majority of your customers come from within a five mile radius of your business, Yelp advertising is likely the best way to reach them. Vet clinics, tire repair shops and restaurants can benefit from sponsoring links, provided there is already a solid collection of reviews to support the advertisement.

Yelp has become much more proactive, assigning account reps to help companies improve their pages, and spend more on advertising.

Facebook

Facebook offers a variety of advertising options. Some are designed to drive people to your Company Page where they can become fans, and others to drive them directly to your website. Keep in mind that people don't come to Facebook to shop for heating and air conditioning. If your business is in a category that doesn't fit comfortably into the light, breezy backyard barbeque feel of Facebook don't spend money advertising here.

Entertainment, events, arts, consumer non-durables and impulse buy products can do well here. If you are launching a new brand or product or if you have never had much of a community on social media, there may be value in buying a small amount of advertising to jump start or revitalize your program.

Tip: You may need to pay to promote individual posts in order to be seen by your fan base. Facebook is continually decreasing the number of brand messages appearing in customer's newsfeeds, so even if someone likes you, you might still need to pay to play.

Instagram

Instagram offers many of the same advertising options available on parent company, Facebook. You can actually run the same ads in both newsfeeds. Just because you can doesn't mean you should. Instagram is driven by beautiful pictures, so cheesy coupons for auto repair just won't cut it.

Industries which do well on Instagram include food, fashion and entertainment.

Twitter:

Twitter offers advertisers the chance to promote a certain post so it is seen by people who are not following a given account. If you are already using Twitter and have an active, engaged presence, you can use this tool to get your content in front of more people and increase your follower base. This tool is particularly effective with time-based messages tied to events. It's also great for promoting business-to-business, tech, and web-based services.

Not sure if you are ready to spend money on advertising? Start by posting Twitter updates a few times a week. Include trending hashtags like #SmallBizSat or #BlackFriday. This will connect you to others talking about the same things. As you grow your audience, you'll get a feel for how much click through traffic you can get for interesting links before you invest the money in a promoted post.

LinkedIn

Want to reach professionals while they're at work? LinkedIn is often your best choice. Job listings, professional events and resources directed at a targeted professional audience can drive the right type of traffic to your website. Similar to your choices on Facebook, you can choose to create a custom advertisement which will appear on the side bar or simply sponsor a post which appears in the newsfeed.

Where Should You Advertise?

While each business is different, the chart below will give you an idea of the kinds of businesses who see the best results from each advertising option.

	Google Ads	YP.Com	Yelp	Facebook	Instagram	LinkedIn	Twitter
Reoccurring Consumer Services Plumbing, Landscape, Carpe, Auto Repair	XX	XX	X	X			
Occasional Consumer Services Decorating, Remodeling,	X		X	XX	X		
One Time Consumer Services Legal, Funeral, Collision Repair	XXX						
Entertainment	X		XX	XX			X
Consumer Products Food / Fashion				XX	XX		
Geographically Constrained General Medicine, Dentists, Vets, Dry Cleaners, Grocery		X	X				

Senior Services	X	X		X			
Business Services	X					XX	X

Can you afford internet marketing?

In almost every case the cost to run an ad is based on what others are willing to pay. The more popular a category or the harder it is to reach a specific audience, the more expensive it is to run the advertisement. To determine if you should consider this type of marketing, look at how many leads you need to generate one customer. You also need to determine what one customer is worth.

For an attorney offering legal services to people filing disability claims, a single case might net \$20,000 - \$50,000 in profit. With a budget of \$12,000/year, landing just one client makes the investment worthwhile.

In contrast a plumber with an average service call of \$300 will need to generate significantly more qualified leads to justify spending \$12,000.

Long before the sale there should be a strong indication the ads are working. To gauge this, look for the behaviors which precede a sale: a list of leads, follow-up inquiries and conversations. In contrast, a florist will have to make hundreds of sales to break even on such an expensive budget.

The bottom line: Compare the cost of driving enough leads to generate one customer with the value of that customer. The value must outweigh the cost.

What you can spend

In each advertising vehicle, you are in control. You can manage your budget, how long you want to run your campaign, when you want to run your campaign and who you want to see your ads.

With Google AdWords and Yelp, businesses are bidding on individual key words or phrases. The pricing is set based on what others are willing to pay. In niche categories you might pay \$1 or \$2 every time someone clicks an ad. On the other hand, competing against AT&T for small business telephones might cost up to \$50 a click.

You can set your budget based on a daily or even hourly spending limit. You want to be sure your daily budget is high enough to let your advertisement be visible. If you have a limited budget, it might be better to use a technique called “fighting.” Fighting means you run your ads every other day. Spending twice as much to be sure you are displayed in the top position is often not the best answer either. Remember- your ads will have an impact or impression value even if people don't click.

Don't be afraid to experiment with a wide variety of spending limits, weekly budgets, and ad scheduling times. You'll be surprised how quickly you will find your ads working extremely well during one or two days of the week and failing on others. Leverage this information by spending the bulk of your comfortable budget during these weekly spikes.

How to Get Better Results

It's hard for most small businesses to compete in online advertising on a national level. With AdWords, you don't have too. Take advantage of only needing to reach a geographically constrained audience. Be as specific as you can about the locations you serve when developing your ad groups. Limit where your advertisement will be seen and tailor what you say in the ad to the specific audience.

All ads are not the same. If you are using social media, attract attention by sharing interesting and informative content through sponsored posts. Don't forget, people aren't coming to social media searching for services.

That's why items in the news feed perform better than sidebar ads. It is best to leave the hard sell tactics for other media.

For all advertising, run a short campaign with a low budget to test your assumptions. This allows you to review the results and make refinements before committing to a long-term program. Test alternative headlines, offers, links and conversion forms. We also advise testing the time of day and day of the week your ad is shown to identify when your audience is clicking.

Your end game is not to build a huge community on social media. Social platforms come and go, but your website is the one place you can completely control your messaging. These ads are simply a means to an end. Ultimately, your mission is to get potential customers to sign up for newsletters and follow your content so you can continue the conversation.

To do that, you must create relevant landing pages on your website to extend the relationship beyond social media or the first search that brought a customer to your door. If you haven't invested the time and money to craft engaging and navigable landing pages for your potential customers, then it isn't time to pump resources into online advertising.

By exploring new advertising mixes and tracking the results, business owners lower the risk of over spending and increase the chances of finding high quality customers. The most successful digital advertisers aren't afraid to try and fail time and time again while searching for the perfect mix.

It's Time to Get Serious About Online Advertising

Paying for advertising on the web is a big marketing leap for most small businesses. It's important to remember not all forms of paid digital promotion will be right for you. We've laid out an overview of digital advertising services to consider when exploring your paid options. It's up to you to take the tips here and make paid digital advertising work for you.

By following these simple tips, we hope you'll be more comfortable diving into online ads. No one said digital advertising was going to be easy, but you've got us, and we have faith in you.

Contact Us

If you enjoyed learning about online advertising in this guide but still aren't fully prepared to start, don't hesitate to give Roundpeg a call or send an email. We love hearing from you!

Phone: 1.317.569.1396 Email: info@roundpeg.biz Twitter: [@roundpeg](https://twitter.com/roundpeg)