

## Pay Per Click Advertising and Google AdWords Strategies

**Tim:** Lukey, Lukey, Lukey.

**Luke:** How are you, Timbo?

**Tim:** Lukey, you are looking exceptionally ravishing today because you are growing your hair, aren't you?

**Luke:** Let's be honest, time for a trim.

**Tim:** Is it really?

**Luke:** It is, yeah.

**Tim:** You're not going for that...you kind of look like Keith Urban.

**Luke:** Thanks.

**Tim:** Yeah, yeah, you've got that middle part.

**Luke:** Yeah.

**Tim:** And in fact what I'm going to do during this show is...

**Luke:** Take a video.

**Tim:** Yeah, I'm going to get the flip out.

**Luke:** Great.

**Tim:** And show the viewers what I'm having to look at...

**Luke:** Could have warned me for that one.

**Tim:** I could have, mate, you could have done your hair.

**Luke:** Anyway, we're trying to keep this show down to 20 minutes so...

**Tim:** Good luck, good luck. Welcome back, listeners.

**Luke:** Welcome back.

**Tim:** To Small Business Big Marketing, the show that...



**Luke:** Came number 12 on iTunes in Australia.

**Tim:** It didn't, did it?

**Luke:** For podcasts.

**Tim:** Let me get that right, Luke, you're saying...you're telling me that our little marketing show...

**Luke:** Our humble little marketing show.

**Tim:** Our humble little marketing show was voted by the secret people at iTunes as being number 12, best new podcast in Australia for 2009. Is that what you're saying?

**Luke:** That's what I'm saying, Timbo.

**Tim:** My goodness.

**Luke:** And I think you're pretty used to saying it yourself.

**Tim:** Yes, look, I have told...I have shared it with the odd person via Twitter and various other social networking sites and also just told family and friends.

**Luke:** Generally.

**Tim:** And just blokes in the street, I walked past a bloke the other day and said...

**Luke:** I actually meant to get you a t-shirt for Christmas.

**Tim:** Should just say guess what and people could go what.

**Luke:** What.

**Tim:** And I'd go just call me number 12. That's pretty cool. So, yeah, welcome everyone back to Small Business...last show for the year, Lukey.

**Luke:** Yes, indeed, Timbo.

**Tim:** Last show. Is it number 15, 16, whatever.

**Luke:** It's around about that, yep.

**Tim:** Around about that but what a year, what a year in marketing it's been.

**Luke:** Yeah. I can't...it's gone so quickly.

**Tim:** It has. Been a dream, it was a dream for many years to do this show.

**Luke:** Yeah.

**Tim:** And we are doing it.

**Luke:** And enjoying it, loving it.

**Tim:** Rocking it. Hey, a bit of news before we get stuck in.

**Luke:** Yep.

**Tim:** Because it's going to be a really interesting show today. We don't...well our guest actually is you.

**Luke:** Me?

**Tim:** Yeah, you.

**Luke:** Not you.

**Tim:** Not me, no. But...so a bit of news, in our last show I just overtly promoted A Health Approach To Marketing, my Bali wellness and marketing retreat which was going to be in April and I made a mistake.

**Luke:** Really, why?

**Tim:** In the spirit of honesty and transparency it was just the wrong time to launch.

**Luke:** A bit premature, Tim?

**Tim:** No, it wasn't premature it was just the wrong time. It was just like...I'm not a premature kind of guy. I know you are, we bring that out later.

**Luke:** Please.

**Tim:** No, no, look, it was just...it was pre Christmas and, you know, it was like I launched early December or late November whatever it was.

**Luke:** Yeah.

**Tim:** It was just the wrong time. And it's a good lesson, you know. Whilst you think I know everything about marketing...or do you?

**Luke:** Me?

**Tim:** Yeah.

**Luke:** Or are you talking to the listeners?

**Tim:** Yeah, well...

**Luke:** Please.

**Tim:** Nah, look, I made a...it was, it was like...it should...I've postponed it til June.

**Luke:** It's also been a very busy time of year, Timbo.

**Tim:** Yeah. Yeah, it has. But that's no excuse. You know, I put all the effort into getting all the marketing materials ready, just the date was wrong. Got a lot of enquiry, but people...it was hard for people to convert at the most expensive time of the year...

**Luke:** Yeah, yeah.

**Tim:** ...with their business, you know, Christmas shopping and doing all that.

**Luke:** Yeah.

**Tim:** Anyway, it's going to happen two months later. It's going to happen in June and we'll relaunch it in Jan, early Feb. There's only ten spots. They're going to go quick this time and we'll worry about that in the New Year.

**Luke:** I'm sure we'll be plugging it again sometime.

**Tim:** No doubt, no doubt. Lukey?

**Luke:** Timbo.

**Tim:** How is the marketing manager at flippa.com?

**Luke:** Flippa is going great, certainly been an interesting first three weeks. And one of the most interesting things I've found is the immediate feedback you get in an online business. You know, if you do...if you do something wrong or something that the users don't like, you find out immediately.

**Tim:** Yeah.

**Luke:** Which is kind of interesting, you know, you probably don't always find that out in a bricks and mortar business. People are less inclined to be open and honest to your face.

**Tim:** Yeah.

**Luke:** Whereas in...

**Tim:** I've got a story about that, you finish yours and I'll share mine.

**Luke:** But, yeah, so it's...you develop a bit of a thick skin but also it's just great being that hooked into your user base. And you get immediate feedback through blog posts or forums.

**Tim:** So what do you do with the feedback, do you actually act on it or...

**Luke:** Oh, absolutely. Yeah, absolutely.

**Tim:** And then do you tell them you've acted on it or?

**Luke:** Yeah.

**Tim:** Yeah.

**Luke:** Yeah. And, you know, just communicating even in comments on a blog post. There's a bit of to-ing and fro-ing and, you know, you find out what people want or if they feel that you've done something wrong or they want to see something implemented on the site. So it can be quite instant.

**Tim:** And is it the squeaky wheel that gets oiled? So is it the bloke or the person who yells the loudest, you go and fix that problem or do you...

**Luke:** Yeah, we don't just immediately jump if someone's screaming the loudest.

**Tim:** No.

**Luke:** You make sure that you go back and ask the general user base. And there's certainly a core group of users on flippa.com that...

**Tim:** Hey, you'd better be careful what you say because some of them might be listening.

**Luke:** Yeah. I'm not going to name names.

**Tim:** No, no, no, no. All Flippa users we love you, or you love...

**Luke:** No, no, there's...and we have a great following, a great loyal user base that we refer to and ask their opinion on stuff instead of just going, oh, you know, bang, let's do this or that so.

**Tim:** Fellow geese.

**Luke:** Correct.

**Tim:** Fellow geese.

**Luke:** Yeah. No, actually there's a lot of work from home mums.

**Tim:** Is there?

**Luke:** Yeah, yeah. We actually met with one a couple of weeks ago, a Melbourne lady and, yeah, so there's quite a bit of...certainly people that are building sites, start up sites, so they'll find a niche, they'll build a site, they put it on Flippa and literally flip it. And that's certainly the lower end of the market so it's quite...

**Tim:** Can we not promote them anymore?

**Luke:** Yeah, yeah.

**Tim:** I've just decided that my business is much more important. No, look, that's interesting. Good on you, good luck for the New Year. And tell me...I'll tell you my story, a quick story.

**Luke:** Okay.

**Tim:** Because I was the marketing manager at a bricks and mortars business which was a large travel agency in Australia and I was responsible for about 200 stores, travel agencies.

**Luke:** Wow.

**Tim:** Yeah, and they didn't hold back in letting me know how I was going as their marketing manager.

**Luke:** Yeah.

**Tim:** And there were times when I just didn't want to turn on my phone in the morning because I knew, and there were times when I'd have 20, 30 voicemails from irate store managers, not because I'd done something wrong but actually because I'd got the phone ringing too much. Which is kind of interesting. Because obviously there's a level where you've got to generate enquiry as a marketing person, but not so much enquiry that it actually annoys the customer and the staff and...

**Luke:** So you did your job too well.

**Tim:** I did my job too well, yeah, yeah. Well I got paid, yeah, here's the thing, my KPI was enquiry.

**Luke:** Right.

**Tim:** Okay. So as a result all I had to do was get the phones ringing and I got paid well. You know, so the problem in getting the phones ringing was it wasn't a KPI that the stores really enjoyed. Because they were about, you know, building long term relationships, which is absolutely fair. So that was an interesting one. We might do a show on that in the New Year about kind of matching performance indicators with, you know, everyone else in your business.

**Luke:** Yep, yep.

**Tim:** Okay. So that's pretty cool. Business planning for 2010 is kind of on my agenda at the moment.

**Luke:** Yep, yep.

**Tim:** And it probably is for all small business owners out there in the small business world. And I just think a really interesting thing is to sort of figure out what question should you be asking yourself in order to get the ducks in a row for the New Year.

**Luke:** Yeah.

**Tim:** You know.

**Luke:** Yeah.

**Tim:** My question is kind of around, you know, what am I really going to enjoy doing in the next 12 months and where am I going to add the most value to my clients. And so I'm spending time going, okay, what fits into that, then that's what I'm going to do. What doesn't fit into it, put it aside and kind of make it secondary if the time shows itself.

**Luke:** Yep, yep.

**Tim:** So that's a good kind of little exercise to do, Lukey.

**Luke:** So start asking yourself the questions.

**Tim:** Yeah, the hard questions.

**Luke:** Yeah.

**Tim:** Look in the mirror. Don't you look in the mirror with that hair?

**Luke:** No, no.

**Tim:** Keith Urban. All right, mate, now, today's interview is with you.

**Luke:** Yep.

**Tim:** And it is all about?

**Luke:** Pay Per Click advertising.

**Tim:** Pay Per Click advertising.

**Luke:** Yeah, which includes...well I'm going to talk about, mainly about, AdWords. But we'll have a bit of a chat about Facebook as well.

**Tim:** I'm going to grill you on this.

**Luke:** Cool. I'm looking forward to it.

**Tim:** Because you keep telling me you're Australia's leading expert in Pay Per Click, is that...

**Luke:** That is not true, I do not claim that, Timbo, but, you know, I have...

**Tim:** But you've got...

**Luke:** I spend a bit of time doing it so.

**Tim:** You do. Well you've got the number 12 pod...number 12, was it?

**Luke:** Podcast.

**Tim:** On iTunes.

**Luke:** Yeah, yeah.

**Tim:** So number...oh, man.

**Luke:** Yeah. Anyway we haven't...

**Tim:** Oh, sorry.

**Luke:** Let's talk about PPC.

**Tim:** What is it? PPC?

**Luke:** PPC, Pay Per Click.

**Tim:** Right, okay.

**Luke:** So what is Pay Per Click advertising? Basically it's when you can advertise, put up an ad, for example, on Google or on Facebook, and you only pay when someone clicks on your ad. So you might...that ad might be presented 1000 times in front of many users but if you...

**Tim:** For free?

**Luke:** For free. But you only pay when someone clicks.

**Tim:** I think actually there is a disclaimer on that. Because I think Facebook do have...you can pay for impressions.

**Luke:** You can.

**Tim:** And...

**Luke:** Yeah.

**Tim:** It's much much cheaper.

**Luke:** Yeah.

**Tim:** Or...and then...so when someone clicks through you don't actually pay but...

**Luke:** There is an option in AdWords that you can choose to do this by advertising and pay per thousand...

**Tim:** Is there?

**Luke:** ...CPMs.

**Tim:** Okay.

**Luke:** Yep.

**Tim:** And you mentioned Facebook and Google AdWords.

**Luke:** Yep.

**Tim:** Yahoo?



**Luke:** Yahoo as well. MSN.

**Tim:** Where else? YouTube?

**Luke:** They're...well YouTube uses Google's engine.

**Tim:** Okay. Do you know what someone said to me the other day, don't know if it's true or not, this is how rumours start, but someone sort of said to me because I said, you know, 12th biggest marketing...no, no, no. He said like what's the biggest search engine in the world and I just, you know, immediately said...

**Luke:** Google.

**Tim:** And he said, no, YouTube. Could that be right?

**Luke:** Well it might be for volume of searches. But in terms of volumes of users, I don't know, I'd have to look at the stats on that. I mean, certainly in Australia Google has got around 80, 85% of the market.

**Tim:** Wow.

**Luke:** It's a little bit less in the US. But in terms of search, Google is still the biggest, I believe.

**Tim:** Yeah, I would too.

**Luke:** In terms of volume of users.

**Tim:** You wonder what could knock Google off its perch, don't you? Like it's just so ubiquitous. It's like...it's just part of the vernacular now, you know. I've got three kids and they talk about, you know, just go and Google something.

**Luke:** Yeah, yeah. And, you know, and Google keep releasing more and more web applications.

**Tim:** Yeah, they do.

**Luke:** You know, sort of, they're heading in the direction of owning the Internet.

**Tim:** They are, well if they don't already.

**Luke:** Yeah.

**Tim:** I mean, I live on Google Documents.

**Luke:** Yeah, so do I know.

**Tim:** As a collaborative tool...we're moving away from Pay Per Click here, but that's okay, we'll get back into it. As a collaborative tool, Google Docs is ace. What I'm finding is, you know, if I create a...if I do a creative brief or I want to create some copy for a website or whatever it may be, I'll create a Google Document out of it and then just share it.

**Luke:** Yeah.

**Tim:** And then they can edit it.

**Luke:** Yep.

**Tim:** And then just close it. There's no need to...you never lose touch with which is the most up to date version.

**Luke:** And also there's...if you're an employee and you're moving from home to work, as long as you've got Internet, you've got...

**Tim:** You're there.

**Luke:** You know, you can access it anywhere.

**Tim:** Between Google Docs and Dropbox, which is a kind of online storage thing that we've spoken about previously.

**Luke:** Yep.

**Tim:** You can just live in the cloud.

**Luke:** Yeah, yeah, yeah.

**Tim:** You know?

**Luke:** Yeah.

**Tim:** And it's good by Microsoft, you know.

**Luke:** Correct. Yeah.

**Tim:** And, yeah, it's kind of interesting. And all that is free.

**Luke:** Yep.

**Tim:** Dropbox and Google Docs, free. And you get spreadsheets, documents.

**Luke:** At flippa.com we use Google Docs.

**Tim:** Enough. Enough, okay.

**Luke:** Anyway, back to Pay Per Click. So...

**Tim:** Okay, what have you got?

**Luke:** I'm going to focus on AdWords today. And, Timbo, you asked me to come up with five tips.

**Tim:** Yeah, how many did you come up with?

**Luke:** Eleven.

**Tim:** You are good, aren't you?

**Luke:** First thing first is make sure you set up your tracking. One of the best things about Pay Per Click is that it's all accountable because you can actually track everything. You can track revenue; you can track ROI on a keyword...per keyword basis. So going back to what, once again what is Pay Per Click, when someone types a keyword phrase into Google, you can actually bid on that keyword phrase so that you come up in the sponsored listings, usually on the right hand side.

**Tim:** Yep.

**Luke:** Sometimes it can appear at the top in a slightly dimmed orange box.

**Tim:** Yep.

**Luke:** So what you're trying to do with Pay Per Click is find keywords that are going to lead people to click on your ad and then hopefully go through to your site and convert into a sale or a lead.

**Tim:** Yep. Which is, after they've clicked, obviously Google's or Yahoo's or whoever, their job's done.

**Luke:** Their job's done.

**Tim:** Yep.

**Luke:** And it's...

**Tim:** What do you mean set up tracking? That's a bit of a bottom term.

**Luke:** Okay.

**Tim:** Like, is that...

**Luke:** Well essentially let's use Google Analytics which is a tracking application.

**Tim:** Yep.

**Luke:** That you can put on your website to find out, you know, how many visitors are coming to your site.

**Tim:** Yep.

**Luke:** And when you pair Google Analytics with Google AdWords, the two engines can interact together and you can find out basically you can find out so when someone clicks on a particular ad, a search on a particular keyword, they've come to your website, so you can track that as a visit and then you can also track a conversion. So if that person...a conversion is when someone might fill out a contact form, as simple as filling out a contact form, or if you've got an ecommerce website, they might buy something.

**Tim:** Okay. So setup tracking using Google Analytics and AdWords.

**Luke:** And AdWords, yeah.

**Tim:** Okay.

**Luke:** So if I...I'm going to use the analogy of a photographer, because I know that one of our recent listeners is a photographer in (14:37).

**Tim:** Yes, correct.

**Luke:** So using as an example, photographer puts up an ad called...he's bidding on wedding photographers, or wedding photographer, he's got his little ad there, someone clicks on that, they go to his site, have a look at his folio, like him, and then go through and submit an enquiry form. That would be a conversion.

**Tim:** Yep.

**Luke:** So he might then, okay, for every ten enquiries I get I get a sale. So he can work out his ROI...

**Tim:** Okay.

**Luke:** ...based around that so...

**Tim:** That's pretty cool.

**Luke:** So that's my number one tip, make sure you setup...

**Tim:** Number two?

**Luke:** ...setup your tracking and get your web developer to help you with that if you don't know how too. Do your keyword research and do thorough keyword research.

**Tim:** Here we go, the boys from...where are they?

**Luke:** Well Market Samurai...

**Tim:** Market Samurai.

**Luke:** Market Samurai is a great tool but...

**Tim:** The last interview.

**Luke:** Google's keyword tool is fine.

**Tim:** It is pretty good.

**Luke:** Yeah, it is, it's great. And it'll give you an idea of basically how many people are searching for a particular keyword, how competitive that keyword is, so how much are you going to expect to pay per click.

**Tim:** And what I love about it is that, you know, with your keywords, don't be shy, listeners. List as many, create as many as possible and create, you know, more and more what I find personally, and I know other people have spoken to...are keying into Google sentences, you know...

**Luke:** Yeah.

**Tim:** ...what is the best digital camera for a teenager. You know, people would key in that...

**Luke:** Yep.

**Tim:** ...as opposed to digital cameras. And so if someone is keying in what is best digital camera for a teenager, they're pretty serious about buying. And I would imagine there'll be less competition for that phrase, maybe.

**Luke:** Yeah, no, you're absolutely right. So long tail keywords...

**Tim:** Yep.

**Luke:** ...is basically what you're talking about.

**Tim:** Yep.

**Luke:** I'll go into that a little way down. You're stealing my thunder already, Timbo; you can't help yourself, can you?

**Tim:** I can't, mate. But I'm concerned that you've got 11 and we're at number two.

**Luke:** I know. Look, in terms of keywords, this is actually tip number seven, I'll jump to that, there's a bit of an 80/20 rule. So you can go and...go and, yeah, sure, initially go and find as many keywords as you can, split it up into themes. Try and split your...

**Tim:** Oh, yeah.

**Luke:** So if you've got, let's say...

**Tim:** Use digital camera example.

**Luke:** Yeah. So, yeah, digital camera, digital cameras. If you're selling a number of different digital cameras, Canon digital cameras.

**Tim:** Oh, yep, so by brand.

**Luke:** By brand.

**Tim:** Yep.

**Luke:** So try to...

**Tim:** By megapixels, by covers.

**Luke:** By megapixels.

**Tim:** Whatever it is.

**Luke:** If, yeah, like if you're an online e-tailer selling digital photography products you might have accessories, camera brands, etcetera, so...

**Tim:** I'm going to steal your thunder and I reckon, you know, we might be able to carve some of the 11 down to maybe five, do you think? What I love about it is, if you do spend the time with your Pay Per Click strategy and actually develop groups of keywords that are all around the same theme.

**Luke:** Yep.

**Tim:** Then write ads.

**Luke:** Yep.

**Tim:** And I know this, I know I'm probably stealing your thunder. I haven't seen Luke's points, listeners, so he's sort of looking at me a little bit cross with a little bit of sweat on his brow, but that's life.

**Luke:** Who's the expert, Timbo?

**Tim:** Yeah, that's right. Oh, look, I just bumble my way through it but when I do get into it I go, gee, this is powerful stuff.

**Luke:** Yeah.

**Tim:** And so it's like group your keywords by category or theme, write ads that are 100% relevant to that category or theme...

**Luke:** Yeah.

**Tim:** ...so that when the ad appears in that search, it's like really relevant.

**Luke:** Yep.

**Tim:** And then when someone clicks on it they go to a page that is relevant to the search. So how many points have I just...

**Luke:** Three, four and five you've stolen.

**Tim:** That's good, mate.

**Luke:** Geez.

**Tim:** No, that's good. You can just...

**Luke:** Timbo is absolutely right. With your ad groups and if you've done...if you had a play with AdWords you'll know what I mean when I say ad groups.

**Tim:** And you do have to play with it, it can look complicated on the surface.

**Luke:** Yeah.

**Tim:** And if you really want to get stuck into it you can become the boffin of all boffins but...

**Luke:** Yeah.

**Tim:** ...at a fairly basic level you can very quickly see after a two or three week campaign what's working and what's not.

**Luke:** Yeah, look, if you want it to be successful you have to manage it closely for a good month depending on the volume of clicks that you're getting through. Don't have more than 20 keywords in an ad group. And start off with 20 and actually a good strategy is to actually peel out, it's called the peel and stick method...

**Tim:** Here we go.

**Luke:** Perry Marshall.

**Tim:** Yep.

**Luke:** (19:19).

**Tim:** Yeah, yeah.

**Luke:** Is to peel out the top one or two most popular keywords and put them in their own group...

**Tim:** Yeah, right.

**Luke:** ...and even more highly target your ad copy around those specific keywords.

**Tim:** The old direct marketing control kind of theory, isn't it?

**Luke:** Yeah.

**Tim:** And then you've got your control which is like what's leading the way, kind of your benchmark.

**Luke:** Yeah.

**Tim:** And then you try and beat it.

**Luke:** That's right.

**Tim:** And beat it and beat it.

**Luke:** And that's why I always say the 80/20 rule, 20% of your keywords will account for 80% of your clicks.

**Tim:** Yep, okay.

**Luke:** So you've jumped all over my points...

**Tim:** That's all right.

**Luke:** But that's all right.

**Tim:** That's all right; we're making relatively good sense.

**Luke:** Start with the search network. So there's...with AdWords you have...basically you have two options.

**Tim:** Yeah.

**Luke:** You can go with the Google search network and the content network. The difference being Google search network is essentially Google search engine and a few other search partners as well. Content network is basically you'll essentially be advertising on people's websites...

**Tim:** Yep.

**Luke:** ...that have installed AdSense, not to be confused with AdWords.

**Tim:** Yes.

**Luke:** I've certainly found that the search, Google search network gets you more qualified...

**Tim:** Yeah.

**Luke:** ...clicks and leads.

**Tim:** If you tick content network, you'll get hundreds of thousands of impressions is my...

**Luke:** Yeah.

**Tim:** Well, you know, tens of thousands, if not 100,000 impressions, but you just don't know where you're appearing. I know Google kind of monitor the sites that they allow their ads to appear on, but it's a bit of a raffle.

**Luke:** It is a bit of a raffle and it takes even more time to manage content network campaigns.

**Tim:** Yeah. So...

**Luke:** And I'd suggest if you do want to try it, try it in the future once you've got the hang of the search network and then split out campaigns specifically for the content network.

**Tim:** Yep, okay.



**Luke:** Very important thing, if you're a bricks and mortar business or if your product or service is locally focused, only advertise locally.

**Tim:** Yeah, that's...that is an ace thing about Google AdWords. Because you can geographically go, you know, I want to be in these suburbs.

**Luke:** Yeah, yeah. Or you can be as specific...obviously country, state and then Google will even give you a map that you can draw around for the area approximately that you want your ads to appear to.

**Tim:** Can I just tell you a quick story about that? I came across Google AdWords properly about four years ago where a guy came out to fix my Mac.

**Luke:** Yep.

**Tim:** And he was a bit of a character and I got talking to him, I said where do you get all your business from and he said it all comes from AdWords. And that's how I found him. Initially I keyed in Mac technician. I was living in Melbourne in Malvern at the time and keyed that in and he came up. And he said, he explained to me how when he puts...when he does his campaign in AdWords, he actually nominates roads, you know, it was like...these roads won't make any sense to you, listeners, but just bear with me, he says like Warrigal Road to Burke Road, not past Dandenong Road and not over Victoria Street.

**Luke:** Yeah.

**Tim:** And in Melbourne that's a kind of pretty tight geographic area.

**Luke:** Yeah, yeah.

**Tim:** And that was amazing. He said he does not get any business outside of that area.

**Luke:** Yeah.

**Tim:** Because his ad doesn't appear. And yet he...and he runs his whole business on that.

**Luke:** And, you know, going back to the photographer example, you know, perfect, if he wants to do wedding photography in, you know, the eastern suburbs of Melbourne, well he can choose to advertise in that space.

**Tim:** Yeah, it's cool.

**Luke:** Yep.

**Tim:** What else you got?

**Luke:** What else have I got? Budget.

**Tim:** Yeah, that does my head in.

**Luke:** Yeah, it's going...it depends...basically depends on how competitive the area is that you're wanting to advertise, how competitive the keywords are. So obviously if you're wanting to sell loans, finance.

**Tim:** Right.

**Luke:** You're going to be paying about \$20 per click.

**Tim:** Yeah, right, okay.

**Luke:** But if...once again it sort of goes back to your long tail keyword analogy before, Tim, you know, if you're bidding on, let's say, Cannon digital camera model number, you know, DQ112.

**Tim:** Yeah.

**Luke:** You're going to be paying a lot less...

**Tim:** Yeah.

**Luke:** ...for that keyword.

**Tim:** Yeah.

**Luke:** And also it's more highly targeted.

**Tim:** How do you decide at the start when Google says how much do you want to spend a day, it still does my head in about trying to figure out, you know, besides going what you can...obviously affordability is...

**Luke:** Yeah.

**Tim:** ...is a key criteria for that. But just how do you know what you're...what it's going to cost you per click?

**Luke:** Google's keyword tool will tell you approximately.

**Tim:** Approximately.

**Luke:** So it will say, okay, so for your...this particular keyword, you can expect to pay 80 cents per click and you'll be in position three of six in the...

**Tim:** Right.

**Luke:** ...in the sponsored sites.

**Tim:** Is it pretty accurate? Have you ever gone back and looked at it?

**Luke:** Yeah, it's reasonably accurate. There are other factors though that determine how much you're going to be paying per click.

**Tim:** Ah, the Google algorithm.

**Luke:** Yes.

**Tim:** The unknown, secret herbs and spices.

**Luke:** One of them is called quality score...

**Tim:** Quality score.

**Luke:** ...and quality score is basically, you know, how...

**Tim:** Me and my mates used to have that. Sorry. Sorry, that was a very teenaged joke.

**Luke:** So quality score is basically how well does the keyword that you're bidding on match, firstly, the copy in your ad.

**Tim:** Yeah, yeah, yeah.

**Luke:** And then the content of your landing page.

**Tim:** Okay.

**Luke:** Yep.

**Tim:** One more, Lukey.

**Luke:** One more.

**Tim:** Because we are going to just go over time and, you know, I've told you, we are the number 12 new podcast in Australia on iTunes and we can't afford to do this anymore.

**Luke:** Right, okay, okay, I'll try and be quick.

**Tim:** Right.

**Luke:** Split test your ads.

**Tim:** Yeah.

**Luke:** So always have two different ads and then keep improving because you'll see better click through rates for one than the other. Point to relevant landing pages, I just touched on that before. So don't just point to your home page. You know, if you're selling a Cannon digital camera, well point to the Cannon digital camera page...

**Tim:** Yep.

**Luke:** ...on your site. And optimise your ad position. In certain campaigns I've found that position three to five...

**Tim:** Yeah.

**Luke:** ...gives you a better quality conversion than position one.

**Tim:** Yeah, it's interesting because they'll go, I've got to have position one...

**Luke:** Yeah.

**Tim:** ...but in actual fact there's some kind of weird mentality that you go, the ads in the middle, well I think they're just as valuable as the ad on top.

**Luke:** And it comes down, I think it comes down to the buying cycle. When people are really looking to buy, they're looking for relevance and they're willing to spend a little bit more time searching through the results and they'll tend to look around a bit more and go, oh, hang on, cool...

**Tim:** Yeah.

**Luke:** ...that's more relevant. Whereas some people will be get a bit click happy and just click on the first one that comes up.

**Tim:** Yep, yep.

**Luke:** So you tend to get better ROI when you...well I have found...

**Tim:** And well you're the leading...you're Australia's leading expert.

**Luke:** ...position three to five.

**Tim:** Hey, you know what?

**Luke:** Yes, Tim.

**Tim:** People say, oh, when I talk to them about AdWords, if I talk to a new client about AdWords, they go, oh, no one looks at the ads on the right of the screen.

**Luke:** Yep.

**Tim:** They just look at the, you know, the natural search results in the middle. I don't believe that and clearly Google don't believe that. Because this is Google's kind of...it's the way that Google make money, isn't it? It's a...

**Luke:** Yeah, look...

**Tim:** It's a major revenue stream.

**Luke:** I, you know, once again I can only speak from experiences, some of the more healthy campaigns that I've run I can expect...you can expect a click through of around 3%.

**Tim:** Yep.

**Luke:** So that means for, you know, for every...

**Tim:** I would have thought more. That's like direct marketing kind of percentages.

**Luke:** Yeah, but just remember you're only paying for the clicks.

**Tim:** Yeah, yeah, true, true, true, true.

**Luke:** And a campaign I've done recently is more like the 9.5%.

**Tim:** Ooh. So nearly 12. Hey, Lukey?

**Luke:** Timbo.

**Tim:** That's interesting. That's Google AdWords. We said we were going to touch on Facebook. Facebook, guys, is incredibly simple. Google AdWords can be simple, but you've got to spend time with it. I ran...I've been running some Facebook campaigns recently for clients and myself, and gee it's easy. It is really easy. And it's incredibly targeted. And if you go back to an earlier episode of Small Business Big Marketing where we interviewed David Curry who is an iPhone app developer.

**Luke:** Yep.

**Tim:** He spent \$1000 on Facebook advertising and he...that's all he did for this little iPhone application and it worked gangbusters. And he used it so targeted, how's this, he wanted to get opinion leaders. Go back and listen to the show, guys, but it's a product...an application that tells females in America what the weather is doing so they can decide how to...how it will affect their hair that day.

**Luke:** Yeah.

**Tim:** He used Facebook to target women 18 to 25 or 18 to 30 year old women in New York who work in the media.

**Luke:** Yep.

**Tim:** You know, that is targeted stuff.

**Luke:** It doesn't get more targeted than that.

**Tim:** No. So...and it worked gangbusters for him. And, look, he spent 1000 bucks, he got it back. You know, the ROI on that was massive. But that was a good interview that one.

**Luke:** Yeah.

**Tim:** Might go back and listen to that myself. Hello, Dave, if you're listening. So, guys, Facebook advertising Google AdWords advertising, highly effective, you know. If you're running print, radio, TV advertising right now, which I'm sure not many of our listeners are...

**Luke:** Yeah.

**Tim:** ...because we're small business guys. They might be running print ads and stuff.

**Luke:** Yeah.

**Tim:** But I would just really seriously recommend carving off ten, maybe 20% of your above the line advertising spend and just putting it into Google AdWords. That's what I'd do, you know.

**Luke:** Yeah.

**Tim:** And the downside is not huge.

**Luke:** No.

**Tim:** The upside is massive. All of a sudden you're going to get very accountable, very effective activity on your website. Because that's what happens. I mean, just watch the traffic increase to your website.

**Luke:** Indeed. Yeah.

**Tim:** Hey, Lukey.

**Luke:** Timbo.

**Tim:** Did I cut you off then?

**Luke:** No, no.

**Tim:** Okay.

**Luke:** Go on.

**Tim:** That'd be a change.

**Luke:** Yeah.

**Tim:** Hey, mate, we're going for quite a while. We've got a bit to go, we're going to call this part one.

**Luke:** Yep.

**Tim:** Of episode whatever number it is and come back and in the next episode, which is going to probably get uploaded shortly thereafter, we have got three listener questions to finish the year off and we have got our Christmas holiday reading list, our summer holiday reading list.

**Luke:** Yeah.

**Tim:** Which people have been asking about. And then a little goodbye. So until next time, Lukey.

**Luke:** Until next time.

**Tim:** Say hello to your mother.

**Luke:** Seeya.

**Tim:** Bye.

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