

IN WEB

with
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TINY ADS PRODUCING GIANT PROFITS

Businesses looking to drive new customers to their website will love Google AdWords' strong return on investment.



GOOGLE AdWords is a cost effective and highly targeted form of advertising considered to be revolutionising the way businesses spend marketing dollars.

How it works

When a searcher enters a word or phrase into Google – say, Cairns – Google will display a variety of search results. These could be links to information about Cairns' tourist facilities or general information and articles written by news organisations. Google also displays AdWords ads that link to businesses selling products and services related to Cairns, such as accommodation, flights and tours.

Businesses with a significant online arm can greatly benefit from the exposure which AdWords generates. Consider a travel agency with a large range of tourism products and services based in Cairns. By considering keywords such as cairns tours, cairns accommodation or cairns hotels, this travel agent could display its ads to a highly targeted audience of customers already seeking out related products and services.

Advertisers are not charged when a potential customer sees their ad, unlike traditional advertising methods. Instead, they are charged when a person responds to the ad by clicking the link and visiting the website.

As an AdWords advertiser, you may choose keywords you want to rank for, as well as how much you wish to pay for a click on any desired keyword. The trick is to pay more for keywords that closely match the product and services you provide, or niche keywords.

Benefits and features

The major benefit of Google AdWords advertising is the power to deliver ads to customers actively seeking related products and services.

Through clever and careful analysis of your product keywords, you can filter potential clients from the rest of the crowd. This could result in an outstanding return on your advertising investment.

While statistics are unavailable for Australian web audiences, Google AdWords are viewed by approximately 80 per cent of internet users in the United States.

AdWords ads are not only displayed on Google's search network but also across its content network, which comprises thousands of websites not operated by Google.

The content network provides substantial additional exposure for advertisers as searching makes up only a minute proportion of the online activities of an average web user. Research gathering and purchasing decisions are made all over the web. Users may

also read news articles, compare product reviews and read other people's experiences.

The websites, which are part of the content network, provide useful information and Google matches relevant ads with the themes and content of this information.

Many forms of advertising are outside the reach of micro businesses, but not so with Google AdWords. There is no minimum spend limit and you choose how much you pay for ad clicks. Advertisers set a daily budget to determine how much you are willing to spend on your AdWords campaign each day. Google shows ads as often as possible to meet the daily budget.

Perhaps the most exciting benefit of Google AdWords is the outstanding metrics and statistics you can access in association with the advertising. Not only can you see how many users viewed your ad, but also how many times it was clicked. This is the same with each keyword, which allows you to assess which is working best for you.

Google also provides a free code which can be inserted in your website to track any sales or enquiries made as a result of your ads. This is where the real power lies. You can quickly and easily determine which keywords and ads are underperforming in direct correlation with the number of sales and enquiries from your website.

How much does it cost?

Google AdWords is based on a bidding system and advertisers have complete control over how much they spend. Accounts are ultimately controlled by a daily budget, which tells Google how much an advertiser will spend each day. Minimum bids begin at a few cents and increase based on the popularity of the keyword.

Other than an account activation fee of \$10, Google charges no ongoing or account keeping fees. The total cost of ad clicks is charged monthly as limited by the daily budget.

Businesses should consider seeking a Google AdWords accredited company to manage their pay per click campaigns. Working with an accredited company ensures your ad spend is maintained by professionals who have not only passed an examination with Google directly, but also met significant experience and management requirements set by Google.

Accredited professional AdWords management firms usually charge a monthly maintenance fee starting from \$150 depending on the number of ads and keywords for which an account is bidding.

As with any new technology, AdWords comes with its own set of new terminology. Here's a quick list of the most common terms direct from Google.

Cost-per-click (CPC): Under its CPC pricing model, AdWords charges your account for each click your ad receives. You won't incur costs if your ad is displayed for a search query but is not clicked on.

Quality Score: Quality Score is the basis for measuring the quality of your keyword and ad as well as determining your minimum bid. Quality Score is determined by your keyword's clickthrough rate (CTR), relevance of your ad text, historical keyword performance and other relevancy factors. The higher your Quality Score, the lower your minimum bid and price you'll pay per click.

Minimum bid: The amount assigned to a given keyword in your account based on its quality (or Quality Score). The minimum bid is usually the least amount you can pay per click in order for your keyword to show ads.

Clickthrough Rate (CTR): Your CTR is a metric that helps show how your ads are performing. The more relevant your ads are, the more often users will click on them, resulting in a higher CTR. The system calculates your CTR as follows: number of ad clicks/number of impressions x 100.

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Google Adwords has certainly reinvigorated the online advertising world. It is a cost effective, quick and easy way to bring targeted visitors to your website. If you're not seeing advertising dollars make an appearance in your RTO, then online advertising may be worth a second look through the Google AdWords system.

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