

## **Pay-per-click: Not always first choice for online advertisers**

Google's recent citing of Cornelius as North Carolina's "eCity" shows that area businesses are deeply engaged in the digital economy, using the Web to distribute content, connect to consumers and grow.

Since cities were initially screened and weeded out by their advertising participation, the award also indicates Cornelius businesses buy search advertising from Google at a higher rate, relative to other cities.

But when it comes to AdWords, Google's flagship advertising platform, local businesses aren't necessarily all-in. In part, that designation speaks to the digital savvy of local business owners, knowing that although Google remains the 900 lb. gorilla of search engine marketing, "pay-per-click" advertising isn't always the most effective way to reach out to local consumers.

With a retail coffee shop that relies on foot traffic, this local shop owner prefers to engage both existing customers and potential new customers through social media platforms such as Facebook, Instagram and Google Plus. By connecting via social media, he's not only strengthening his relationship with consumers who are already fans of his coffee shop but he's leveraging their willingness to share his story and advocate his brand to their network of friends. "It's more cost-efficient than advertising, and word of mouth is very powerful in attracting new customers," he says.

Search engine advertising vehicles such as AdWords, limit his reach only to those consumers actively seeking him out. Vo believes search advertising can be very effective for the right type of business, particularly those companies that generate direct revenue online.

### **Virtual business, online only**

Ecommerce sites that don't have a brick-and-mortar presence could be considered the sweet spot of search engine advertising. Given their nature, those sites are actively looking for consumers ready to buy. One of the appealing features of search engines is their ability to shed light on the user's intent through the keywords entered in the search query. A user searching for "digital cameras" may be in the information-gathering stage, where "buy nikon coolpix l830" indicates a readiness to act. Through AdWords, a camera shop with an online store could set different bid amounts for these keywords, based on the value associated with where the user is in the buying cycle.

Online retailers are not the only business type in which pay-per-click advertising can be effectively applied. AdWords is also popular with industries that thrive on lead generation.

But for brick-and-mortar retailers that rely on foot traffic, directly connecting the dots between ad clicks and in-store visits, and measuring the campaign's return on investment, can be challenging. Website traffic that is referred from Google's organic search results pages is generally considered higher quality than paid traffic, as consumers are increasingly aware of which listings are paid and which are earned.

## **You may pay \$50 per click**

The heightened competition and complexity surrounding AdWords has also driven up the prices for keywords on its search network and made it more difficult for some smaller companies to compete, especially those who market nationally. The most expensive keywords can top \$50 per ad click. Last year, the most competitive keyword categories were insurance, loans and mortgages, according to Internet marketer WordStream.

AdWords operates under a complex system of algorithms, or formulas that determine when and where to display individual ads, it can also be a very inexact science. The potential for glitches, security risks and time involved in effectively managed self-directed online advertising products like AdWords has caused some to shun digital marketing for tried-and-true mediums like print, which still have a significant place in the portfolio of many small business owners.

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