Local Online Advertising

FOR DUMMIES®

Learn to:

- Plan and launch an effective local online advertising campaign

- Set up a Web site that draws local traffic

- Maximize your presence on top search engines

Inside — find out how to get a $100 advertising credit from Yodle®!

Court Cunningham
CEO of Yodle

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Local business consultant

Local Online Advertising For Dummies®

Chapter 1
Online: It's Where Your Customers Are

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Online: It's Where Your Customers Are

*B*ack in the 1920s and '30s, Willie Sutton robbed a lot of banks. When asked why, he responded, "Because that's where the money is." Sutton may have been a criminal, but it's hard to argue with his logic. Which brings us to the 21st century, and you, your customers, and why you should advertise your business online — because that's where the customers are.

In this chapter, we give you some background on the online world and explain some of the general forces that fuel it. In the succeeding chapters, we break down what you as a small business owner need to know about Internet marketing in general and about local online advertising in particular.

Understanding Online Consumer Trends

More and more consumers spend more and more time online, and the numbers of households that are online has steadily increased.

But more important is how much consumers are online and how they've adopted Internet usage as part of their daily routine much faster than anyone could have predicted. For instance:

✔ Ninety-four million American adults use the Internet every day (that's nearly one-third of the total U.S. population).

✔ Sixty-three percent of those folks access search sites every day.

✔ Sixty-four percent of Americans use Internet search as the primary way they search for local businesses.

Given these numbers, the conclusion is fairly obvious: If someone is searching around the 'Net for local goods and services and your business isn't represented there, that customer is going to click with someone else. That customer could have been and should have been yours.

With Internet transactions generating so much business, you probably assume that small business owners (and local businesses) all over America are already all over the 'Net. But guess what? They're not . . . yet.

TIP

The U.S. Small Business Administration reports that of the 24 million small companies it keeps tabs on, only 44 percent are currently using Web pages to advertise their goods and services. (And when you remove the top ten or so metropolitan markets, that percentage of current small-business Web advertisers drops like a rock.) Bottom line: A whole lot of room is left for a savvy small business owner like you to make your business's presence felt on the Web.

So what can explain this rather odd situation in which customers are hanging out someplace that small business advertisers aren't? Undoubtedly, one huge reason is that to most people, the idea Internet marketing seems just too complicated. Intimidating, even. Best left to the experts, whoever they may be. We're the first to admit that Internet marketing can be a pretty complex undertaking. The 'Net has its own rules, its own customs and secrets, and above all, its own technology. And the latter changes constantly.

What does local really mean?

Oddly enough, defining *local* as in local business isn't all that easy. For instance, that fast-food franchise just down the road may be affiliated with a multi-national corporation, but at the same time, it's a long-established part of the town's business community, so is it local or not?

We'd say yes. For our purposes, the definition we use throughout this book is that a business is *local* if

✔ It does the lion's share of its business either on its own premises or at a customer's home, office, showroom, plant, and so on.

✔ When it uses online tools and techniques, it uses them to generate *offline* sales.

Some pretty obvious examples are contractors; professional service providers such as accountants, attorneys, architects (plus others that don't begin with an *A*); local retailers; and many more.

But, as with any big and complex subject, the secret to understanding the Internet — and finding out how to put it to work for your business — is a matter of breaking it into smaller, manageable, digestible chunks. And suddenly, Internet marketing isn't all that complicated anymore.

The Rise of the Search Engine

Before any sane businesspeople go to the time, trouble, and expense of establishing a Web site for their companies, the logical question they ask is: Just exactly who's going to find it, and how will they get there?

The answer is largely the *search engine.* Although search engine sounds very mechanical, it's actually just a pathway that customers can follow to find your business's Web site. Essentially, the offline *Yellow Pages* is a search engine. So is the local newspaper's Classifieds section. As opposed to those resources, which help customers sift through a few dozen or so choices, Internet search engines nearly instantly navigate through the millions of businesses that maintain Web sites.

How search engines actually find and index Web sites is pretty complex, and we save the technical details for Chapters 7 and 8. But here's a hint: Search engines use things like spiders and crawlers (and maybe one or two things that go bump in the night).

Google, the big kahuna of search engines

Of the major search engines operating, Google (`www.google.com`) is by far the largest, with Yahoo! (`www.yahoo.com`), and Bing (`www.bing.com`) coming in second and third.

We discuss these and other search engine providers in greater detail throughout this book. All you really need to know right now is that Google didn't grab its enormous share of the market just because it has a funny, catchy name. Over the last decade or so, Google has been the biggest innovator in the search engine space, and today it continues to pretty much define the category by setting the standards and making the rules that the competition then has to adopt in order to stay in the game. Proving, once again, that it's good to be the king.

Customers use search engines to find you

Millions of companies throughout the United States, both large and small, do at least some of their business on the Web. A search engine is what keeps finding any one company from becoming a needle-in-a-haystack proposition. In fact, search engines make successfully finding any one of them pretty darned easy. (Just ask your kids.)

The crucial bottom line is this: According to data for 2008 compiled by the Pew Research Center, 85 percent of Web site visits (or *hits*) originated through one search engine or another. That's how completely indispensable search engines are for any business that wants to have a profitable presence on the Internet.

Local Search: The Latest Search Frontier

Perhaps you're thinking, "I run a small, local business. Search engines are for big companies that get business from all over. I'll never get found stuck somewhere in the middle of all those folks."

Search engines are important to your business because the hottest area on the Web is local search. *Local search* is pretty much exactly what it sounds like: local people looking for local goods and services. Of course, local people have always been looking for local goods and services. What's changed is how they search. That is, on the Web. The defining characteristic of local search is that the people who use it have local intent.

That probably sounds pretty broad, and it is. Local search is broad because customers with local intent can use search engines in various ways to find what they're after:

✔ They can search for, say, *roofer* — and because the more sophisticated engines instantly identify the Internet Protocol (IP) address of the computer the searcher is using, some local roofer listings may well appear on the results list.

Google Maps is a leader in this technique, which you notice when you type a search term and a local map appears with a bunch of local businesses listed beside it.

✔ They can use geographical identifiers, such as *dermatologists davenport IA,* and they'll get (surprise) listings of dermatologists in Davenport, Iowa.

✔ They can shorthand the process by typing the business descriptor followed by a zip code, such as *plumbers 46256.* Local search still works.

In any case, the key development here is that the major search engines, such as Google and Yahoo!, realized very quickly that local search was becoming

the Next Big Thing — an enormous untapped market for their services, spread over the 15 million local businesses that operate across America. So these search engines are very busy expanding their capability to render local-market search results and adding to the ways those businesses can quickly and efficiently get themselves listed — and found — online.

The result of all this has been what people with MBAs call a *positive feedback loop* (see Figure 1-1). People go on the Internet and look for local businesses. Early on, they find a few. Then, local business owners and search engine programmers realize that local people are looking for local businesses on the 'Net. So more and more businesses start putting themselves there, and search engines provide more local listings. And so on, and so on.

Another factor that's driving local search is the increasing popularity of smart phones and PDAs that give you Internet access in the palm of your hand. People tend to use these amazing gizmos a lot when they're out and about, so it's only natural that they use their phones to find the nearest restaurant, antique store, or shoe repair shop. With local search, you can easily do just that.

Improved organization and amount of local content online leads consumers to increasingly look for local services online.

Increase in local consumer searches online leads local businesses to see big opportunity.

Local search postitive feedback loop
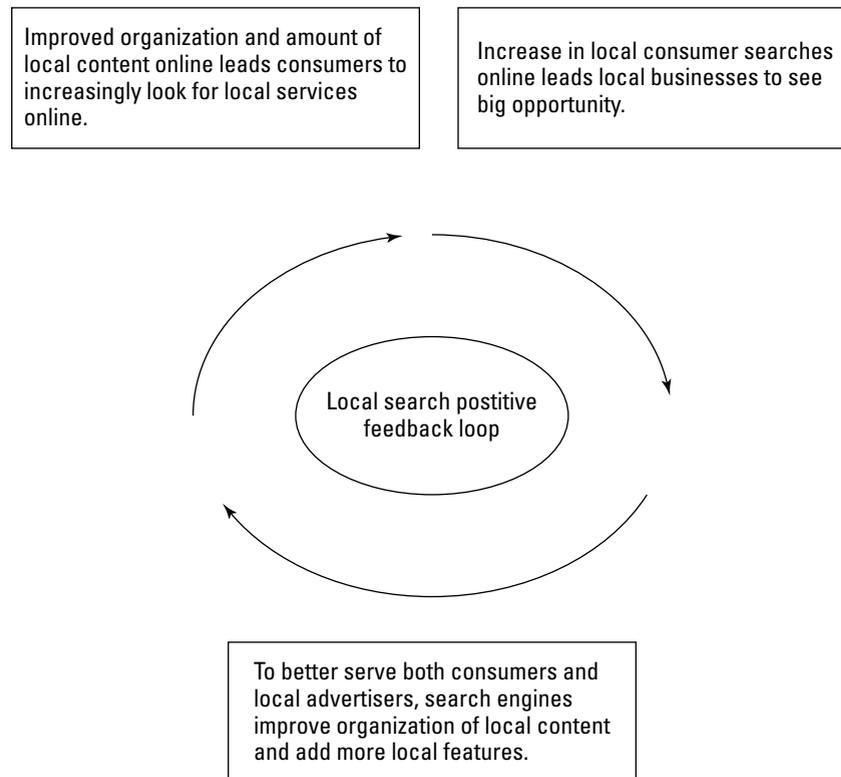
Figure 1-1:
The positive feedback loop created by local search.

To better serve both consumers and local advertisers, search engines improve organization of local content and add more local features.

Big demand + Tiny supply = Pay dirt

Before diving into local search, the Googles, Yahoo!s, and Bings of the world took a look at the sort of numbers that follow and drew the logical conclusion, that is, that small business is potentially huge business. Consider the following:

✔ In 2008, 82 percent of consumers used search engines to find local services (up from 74 percent in 2007). That translates to 1.3 billion local searches every month.

✔ Sixty-four percent go to the Internet as their *primary* means of finding a local merchant. But only 26 percent of local small businesses have invested any time or effort in advertising online.

✔ Americans consume 35 percent of their media (news, entertainment, and so on) online, but only 7 percent of total national ad dollars are spent online.

What we see here then is the tremendous opportunity gap that exists, though it can hardly be counted on to stay like this forever. That's why thinking about and establishing your online presence now is a very good thing. (And of course, so was picking up this book.) In fact, a number of new search engine options have popped up to cater specifically to local businesses, which only expands the gap between the number of marketing venues and the number marketers who have so far taken the plunge.

Take a site like `www.hotels.com`. Yes, Hotels.com is a national site, but it depends on local hotel/motel/bed and breakfast/quaint, country-inn owners to provide it with content, which it then showcases on its site. Fandango (`www.fandango.com`) does roughly the same thing with local movie theaters across the country. Per usual, a bunch of other dot coms use this very effective business model.

Thinking local: It's only natural

People living in Toledo don't look for a plumber in Cleveland. They're looking for a local plumber who can get there in a hurry to fix whatever's leaking, clogged, or making funny noises.

And what local-searching customers everywhere know — and that a whole lot of small businesses don't seem yet to fully grasp — is that the Internet is likely to give them much more information about a local company than any other resource. Even a full-page ad in the local *Yellow Pages* or newspaper would find it difficult to hold all the information about a local business that a Web site can.

Don't let your competition take your customers

If your competition maintains a marketing presence online and you don't, it probably means one of two things:

✔ You don't know they're online.

✔ You know but don't particularly care.

If you don't know whether they're online, that's easy to find out. Use a search engine (just like their customers do — nudge, nudge) and see what your competitors are up to. But if you do know you have competitors on the Internet but haven't done anything about it, we're going to go out on a limb here and guess that that means one of two things:

✔ You think this whole Internet thing is just a passing fad.

✔ You want to get into Web marketing, but don't have the time or expertise.

You can't think the first one because if you've read anything in this chapter so far, you realize that the sheer volume of Web usage is staggering. So we're up against the time and expertise obstacles. As we mention in the Introduction, you can do a number of things on your own to create a Web presence that doesn't cost an arm and a leg or require any particular computer expertise. And as we also mention, many outside consultants and companies create Web sites and online advertising campaigns for businesses large and small, and can do it not only expertly but at surprisingly little expense.

Further, ask yourself this: With traditional print advertising, how can you tell how many people have seen your ad, much less acted on it as a result? Answer: You can't. But with a Web site (or for that matter, an online advertising or e-mail campaign), you can find out exactly how many people have seen it and contacted you because of it. That means you can quantify exactly how much you're spending to get each customer who calls you — and can keep refining your site to make it even more efficient as often as you want (as opposed to a phonebook listing that sits unchangeably frozen for a year).

A third of all search engine queries contain a zip code or a city or state name, such as *taxidermists 43112* or *florists Spokane.* Perhaps more important, however, and regardless of whether a customer tacks on a zip code or a city or state name, 43 percent of search engine users are looking for a local business from whom to buy offline (that is, at the business's physical location).

Lest you think that those numbers don't necessarily add up to much at the end of the day, consider this: In one recent month alone, Google reported 11,345 searches (or as Web savvy folks like to say, *impressions*) for various searches related to veterinarians in San Jose. So either Northern California is in the grip of a major hairball epidemic, or local people in general are searching for small businesses in a big, big way.

REMEMBER

We've made a number of distinctions so far between local search and the conventional *Yellow Pages.* But there is one important respect in which they are very similar: Customers use them at the *moment of relevance.* For example, you don't look through the *Yellow Pages* for lawn care companies until you actually need a lawn care company. The same goes for local online search. Simply put, the moment of relevance comes about when need meets need-fulfillment. And at that critical, highly sales-message-receptive moment, a potential customer can use all the information about you she can get to make you her source or supplier of choice. This is precisely the kind of persuasive, in-depth information that only a Web site can give.

Methods You Can Use to Advertise Online and Their Benefits

In this chapter, we take a look only at the proverbial tip of the local-online-advertising iceberg. Even so, you probably already realize that success requires the use of a variety of tools and tactics used in combination.

Here are a few of them:

- ✔ **Pay-per-click (PPC) online advertising,** which is a way to enhance how your business appears in search engine listings and to give you an instantaneous read on your listing's effectiveness.

- ✔ **Search engine optimization (SEO),** which involves adjusting and designing your Web site to make it more search engine friendly and increase your position in the organic section of the search engines.

- ✔ **Company landing pages** — pages that people come to directly when they do a search using particular keywords and then click the link posted from the search engine. The landing page takes them straight to the information specified by the keywords they've used to find you, without making them navigate to that information through your home page, which they might find too complicated to pursue.

- ✔ **E-mail blasts** that let recipients download, say, a coupon and thereby helps you start a relationship with them.

- ✔ **Social networking sites** like Facebook that can be used to generate interest in your business.

TIP

This may all sound a little intimidating at this early stage, but take heart. None of the tools and tactics are all that complicated by themselves. The real trick — or art, if you want to get fancy about it — is deciding how to combine them to create the most effective (and cost-effective) advertising campaign for your business.

REMEMBER

Despite what may at the moment seem like a lot of work on your end, try always to keep this in mind: Unlike many forms of traditional advertising methods, online advertising is completely measurable in real (or near-real) time. That means you can find out almost instantly how well your efforts work, which parts perform better than others, what kind of customers you attract, and what specifically about your advertising catches their attention. Best of all, because your online advertising is something you can alter on virtually a moment's notice, you can change, refine, or otherwise tinker with it as soon as your measurements tell you what to do more of and what to leave behind.

Going beyond search engines

Earlier in this chapter, we mention the three biggest and best-known search engines operating: Google, Yahoo!, and Bing. Any (or all) of them can be a really cost-effective way to advertise locally and bring customers to your business who are looking actively for the kind of products and services you offer.

Although your online efforts may well begin with the big three search engines, the marketing opportunities provided by the Internet certainly don't end there. In fact, those other opportunities are vast. For instance, a lot of smaller, more localized search engines operate on the same principles as the three biggies but can offer greater efficiencies for your business. And you can use non-search ways to reach potential customers, too. We touch on e-mail (Chapter 10) and social-media marketing (Chapter 13), but you may also want to explore the use of banner advertising (Chapter 12), online PR opportunities (Chapter 14), industry-specific directories (Chapter 11), and so on.

TIP

Each of these possible tactics has its own nuances and strengths, and you're probably best off trying a variety of them to see which ones generate the best results for your company.

Targeting the right prospects

Any business worth its salt has a lot of potential customers, but those potential customers aren't all created equal. What you want to find are those prospects who are the most motivated and ready to act, the most financially able to buy what you're selling, and the most likely to become long-term customers. And one of the great things about having lots of online options is that they let you directly zero in on the cream of the crop.

TIP

With search engines, you can narrow your advertising efforts to specific zip codes, towns, or cities or to location-specific key phrases (such as people living near the strip mine). Banner advertising lets you put your name and message on other people's sites, sites that tend to attract the same kinds of customers you want to reach, demographically, by topic of interest, or by some other criterion important to you. And those are just a couple options. If you read on, match the profiles of your target prospects to the marketing tactics we discuss and see which promises to provide the best fit for your needs.

Turning clicks into new customers

Regardless of how you attract prospects to your Web site — via search, e-mail, banner ads, and so on — the real trick is getting them to take action when they're there. As the tacky expression goes, you're after engagement, not just eyeballs!

For a local business, turning clicks into customers means using the online medium to close an offline sale. Maybe your site lets them schedule a massage with an online form, request a construction quote via a Live Chat feature, or contact your limo service right from the Web page with a special tracking phone number. The possibilities are pretty much endless.

You discover everything you need to know to qualify prospects and convert them into customers in the chapters that follow.

Taking an active role in optimizing results

In the days before online advertising, you had basically two ways to measure the effectiveness of the medium you were using: anecdotally or by pure hunch. Hardly scientific, to say the least. But online advertising lets you optimize your results. You can measure how many people are coming from where, and what it is that's tickling their fancy or leaving it woefully untickled. And then you can do something about it, now!

Maybe you want to change a keyword or phrase, use different colors, put the elements on your site in a different order, or replace the picture of grandma with your dog Buster looking playful. Whatever. The point is that you can fine-tune your message (and your medium) until the cows come home — and see exactly which changes most benefit your return on investment (ROI).

Whether you do this or have outside professional help, optimizing results means taking a much more active role in your advertising than ever before. And being better and more quickly rewarded for it, too.

Contents at a Glance

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