

Seven Insights on Search Engine Optimization and Online Advertising



Online marketing is still a black-magic box for many businesses. Money is committed and nothing comes back. Excuses are made, companies are hired and fired, and the market is crowded with 'experts' who have less business experience than the average mountain-dwelling goatherd.

This has a huge negative effect on small and medium businesses, whose owners and managers are befuddled by vendors' techno-geek-speak, constant claims of 'I will get you to Google page one for ten dollars, sir!'

and a lack of internal resource to 'get the job done'.

These business owners and managers know that they are leaving a lot of money on the table by not having effective online marketing, but they are often intimidated by:

- a) Not knowing enough to spot scammers
- b) Not having the time to acquire the knowledge needed to move forward with confidence
- c) Wanting to concentrate on running their business – not running websites (which can take huge slabs of time).

After 30 years in the corporate and technology world, I set Sydney Business Web up specifically to *help other companies* through difficulties of this sort. So, here are some key insights into SEO and online marketing as they are today – and I guarantee a *no technobabble* approach. Here are seven gentle and simple pointers to success in SEO and online advertising. We'll start with SEO (Search Engine Optimization – getting ranked in the search engines – but mainly Google) and then we'll move on to online advertising.

Insight 1: Successful SEO needs a safe, solid base

Every building that endures has a solid foundation – and the same is true for your business website. Here are the key points for building that foundation:

- 1) **Posts, Pages and products:** Make sure that your blog posts and pages are long enough (1500 words minimum), of high quality and *original* content, and set up with the right meta data (this is mainly just the post/page/product title and text snippet Google sees) so that Google can recognize what your business is about. This does not give a site any ranking, but it does lay a foundation and builds trust with the search engine over time. To ensure all your meta data is correct, use a plugin like Yoast SEO and *always* set up the meta data as you are writing posts and loading products. Of course, to do this you must have posts/products in place – of high quality, good length, and originality.
- 2) **Pillow Your Website:** Before you begin serious work on link-building, build a layer of low powered links with business directories, online press releases and blogs. These will have twofold effects: a) they will start building a small amount of link power that will lift your website from rock-bottom and even raise you above sites with poor SEO practices and b) they will act as a '**pillow**' for more aggressive tactics later and provide some protection against a Google penalty when you are adding powerful links. This exercise should take around 2 to 3 months for a new site.
- 3) **Medium term Results:** Accept that when starting a business, SEO is a medium to long term effort and that you will have to rely on advertising and paid-for-leads to jump-start your business. ***Therefore, you should understand that your initial investment on SEO will only show results over a period of months. As SEO begins to show a return, you can reduce advertising expenditure (but that is only one option).***

Insight 2: Know your numbers thoroughly

Every competent business manager will require a positive return on all expenditure – and that includes SEO and online advertising.

Typically, a small business spends between \$1,500 to \$3,000 per month on SEO and/or advertising. Is it worth it?

This is where the numbers become extremely important. To get an estimate of what we can or should be spending on SEO we need to consider what the alternative costs are: advertising on Google.

Using Google as a Baseline Comparison

Assuming you are a small business, a click on your Google ad costs (typically) between 90c to \$20. The actual costs depend on two key factors:

The competition for the keyword. A keyword such as 'car insurance' can cost upwards of \$50 because it is a profitable business and competition is intense. A lawyer can pay north of \$100 per click! Thus, in Google's automated *auction system* where you are bidding for the word, it is expensive and driven by competition.

It's at this point that you start 'crunching the numbers to understand what advertising will cost you. Here is the basic approach:

Cost Per Click: \$2 (What you pay every time someone clicks on your ad. This depends on what you are advertising. *This is just an example*)

The following numbers are based on real numbers in a Google Ads account.

Daily Budget	Impressions (just for your info – number of times your ad appears)	Clicks	Average CPC (Cost per click)	CTR (click through ratio)	Total cost (over 22 days)
\$4.62	2200	52	3.20	2.4%	\$170

Can you afford the advertising cost?

Let us take that number of clicks above and work on it:

52 clicks have cost you \$170 in around 22 days.

Let us say you have a good website and offer, and you convert 3% of visitors to purchase. This means that your \$170 is buying you 1.5 customers (jokes permitted!). If you are winning contracts worth say \$150/month at 25% margins, then this might be worth it – you are making \$450/annum for a cost of \$170. However, this assumes your business is scalable and many small businesses are not. The advertising cost might not leave you enough profit to survive. Numbers are important!

Insight 3: Breaking Even on Ad Spend – Guidelines

For most businesses, a ratio of 5:1 revenue to cost is acceptable, depending of course on product margins.

Thus, in the above case, for an ad cost of \$170, we need to bring in \$850 in business. Is the guideline good? Over a year, probably not, but keep one customer for two years and it most definitely is. The obvious way to improve the performance is to have a great website that loads fast and presents a great offer – getting people to your website is only half the battle!

Insight 4: SEO By Comparison to Online Advertising

We have, in very simple terms stated how online ads can make or lose money. By this time, you should have a particularly good idea of how easy it is to lose money – indeed to hemorrhage money with online ads unless you track performance, investigate the keywords, measure competition, and adjust with performance.

The key differences with SEO are that:

- a) Returns are not immediate – SEO takes time – and that depends on your budget. Ads perform well or badly immediately.

- b) Once you have a high rank for some search terms using SEO, your web traffic will keep coming as long as you are ranking, and this costs a lot less than advertising over the long term.
- c) Google changes its algorithms frequently and a website that ranks well one day can tank the next day – especially if the SEO has been done badly. So, ads are always a valuable backup and you should always have a strategy available and up to date. Plan your online business as though your company depended on it – because one day this may well be the case.
- d) SEO requires more diverse strategies than advertising. Whereas a Google ad can show anywhere you choose and be equally effective anywhere, SEO requires tailoring for local, national and international cases.
- e) *Online ads are almost completely product focused. By comparison, SEO practices are mostly knowledge focused and can put your company in amongst the decision makers of your target market by dominating the search engines as a credible source of expertise.***

Insight 5: Be an authority

Overall, the best way to rank in Google now is to become an authority in your niche. When you do this, Google will "unlock the floodgates" of traffic to you." This means having high-quality articles of at least 1500 words in your area of expertise. Why? – to attract links and followers. If links are the biggest ranking factor (and they are!), it is going to be hard to have success without quality content, because NO ONE wants to link to your product pages. It is going to be difficult to get link equity to your site if you do not have anything credible to link to.

Insight 6: Does My Business Need SEO?

"With 91.5% of total search engine traffic going to websites on the first page of Google and over 40% of website traffic arriving through organic channels, it's clear that SEO is

a viable option no matter what industry you're in." - So yes – no matter what your business may be, it does need SEO.

Insight 7: How Much Does SEO Cost?

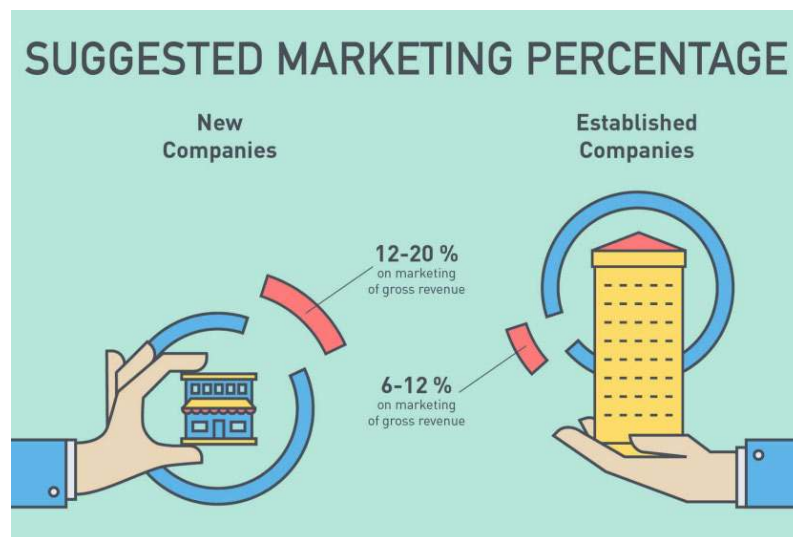
How fast do you want to get the traffic your business needs? What is safe? What is not? What is your budget? All these questions illustrate again just how critical it is to know your numbers and have a plan before you make an investment in SEO.

Before we make budgetary recommendations, we must set goals. Not to avoid the issue, we would not recommend any SEO exercise at less than A\$2000/month for a medium sized established business.

For a startup we would suggest a starting budget of A\$1000/month

For larger companies who understand the benefits and have the confidence, I strongly recommend SEO packages that cost around A\$5000/month.

Buying cheap SEO will generally yield a poor outcome, no results or at worst, crashing the website in the rankings.



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Conclusion: A Seasoned View of SEO Investment

I have been in business a long time as engineer, manager, and business manager responsible for global regions. I have had marketing departments I have damned as tourism bureaus and salesman who could not close – they all had excuses and it has been sometimes difficult to pin them down. Many companies put themselves in the same unfortunate position and that is not necessary.

Online marketing is different to conventional marketing in one key aspect – you can set goals whose success or failure can be directly attributed to your online efforts and spend. If your ads swallow cash and do not produce sales, you can adjust in real time and move on. If your SEO is not reaping results, you have data you can analyze and improve. Everyone involved can be held accountable with numbers.

In traditional marketing, marketing and sales have been separated and the attribution of responsibility for outcomes becomes confused. In the online world, just follow the data! That is why we love online marketing!

Wishing you all a most profitable journey in your online business.

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