

Google ads: effective, a little frustrating, businesses say

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In this Tuesday, Sept. 17, 2019 photo, Gabe Uribe, co-owner of L.A. Tech House, a public relations firm that focuses on tech companies, poses in his office in Beverly Hills, Calif. When he began advertising online, he went with the common wisdom that the more spent on Google ads, the better the results. But he learned he could cut his budget and be fine. "If you put some strategy into it, you have a good chance of going up against the big guys," Uribe says. "We own our little corner with tech PR." (AP Photo/Damian Dovarganes)

For many small business owners, Google is a necessary and successful way to advertise although it can also be expensive and frustrating.

Jeff Moriarty sees both sides. Moriarty, marketing director for his family's jewelry business, has handled its online ads for 20 years. With competition for the limited number of high-visibility ads intense, advertising costs are rising because "we all have to play their (Google's) game," he says.

But Moriarty has learned how to get results for Moriarty Gem Art, which has an online store and a physical location in Crown Point, Indiana. Along with buying ads, he uses the strategy known as [search engine optimization](#) to boost the company's visibility.

"The good thing is our website does rank well in searches," he says. "It offsets some of the costs we have through paid ads."

Google dominates online search and advertising; this June it had a 62.4% share of the market for searches done on desktop computers, well above the 25.2% held by Microsoft sites, according to the research firm Comscore. Google is so much a part of online life that it's common to hear people use "Google" as a verb to mean "search online."

But while Google's power and reach make it appealing to [small businesses](#), those strengths may also be a problem, [government officials](#) say. The Justice Department, Federal Trade Commission and House Judiciary Committee are investigating possible antitrust issues at Google and other big tech companies. And earlier this month, officials of 48 states, Washington, D.C. and Puerto Rico said they're investigating Google's "potential monopolistic behavior." Several officials suggested the investigation included Google's search and advertising business.

Kent Walker, Google's senior vice president for global affairs, said in a

blog post, "it's of course right that governments should have oversight to ensure that all successful companies, including ours, are complying with the law. ... We look forward to showing how we are investing in innovation, providing services that people want, and engaging in robust and fair competition."

Small businesses have several ways to appear on Google search pages. The most basic is what's called an organic search, where, for example, a restaurant's website shows up when someone searches for keywords like "French restaurant brunch." Where a company is ranked depends on Google algorithms that take into account factors like whether a company has been listed on ratings websites like Yelp or TripAdvisor or have received media publicity. Google says it is looking to see how "relevant and reliable" a website or web pages are about a given topic.

Companies can also buy ads that appear in search results. Google runs an auction in which companies bid against other advertisers for keywords and phrases; the price is set by the bidders. Businesses also can pay to get products in Google Shopping, which includes a strip of photos with links at the top of search results.

Companies that don't advertise can find themselves pushed lower down on a page of search results; Google gives priority to those who have paid enough to win a prime spot.

That policy is an outgrowth of one dominant company owning both search and advertising. But companies say Google ads are worth the expense. Google has been more effective for Louisiana Crawfish than any other form of advertising, CEO Avery Smith says.

"At this point, approximately 90% of our advertising dollars are spent with Google," says Smith, whose company, an online seller of the crustaceans and other food, is based in Natchitoches, Louisiana.

The more a company bids for keywords, the higher its ads can place. However, companies can't see what others bid; they can only guess from the rankings.

"It's kind of a cat and mouse game," Smith says. "Seeing where your placement is tells you if you need to increase your bid or not."

Advertising effectively on Google also requires ongoing, even daily, attention. Louisiana Crawfish uses outside consultants to monitor how its listings are doing against the competition and to make adjustments needed to maintain its place.

The strategy works. In a search for "crawfish," Louisiana Crawfish had four of five links with pictures across the top of the [search](#) results, the spot often reserved for Google Shopping ads.

John Holloway estimates that his insurance brokerage has spent hundreds of thousands of dollars advertising on Google in the past six years. But he's recently scaled back his spending because the cost of trying to outbid other firms keeps going up.

"They (Google) are putting more and more ads ahead of the natural [search results](#)," says Holloway, co-owner of NoExam.com, a life insurance brokerage based in Roswell, Georgia. "So, business owners, myself included, are feeling the squeeze to 'pay to play' with Google."

One solution, Holloway has found, is to bid on words and phrases unlikely to be in big demand by other companies; those words will cost less. For his business, "insurance 40-year-old man good health," is likely to cost less than "life insurance."

Advertising dollars can go further with wise spending, the approach that should go into any type of advertising, says Gabe Uribe, co-owner of

L.A. Tech House, a public relations firm that focuses on tech companies. When he began advertising online, he went with the common wisdom that the more spent on Google ads, the better the results. But he learned he could cut his budget and be fine.

"Things we cut back on were things like [advertising](#) days—we don't advertise on weekends anymore, because most business decision-makers are not in the office on Saturday and Sunday," says Uribe, whose company is based in Los Angeles.

He has also learned not to advertise his [company](#) as a public relations firm; instead, he uses keywords that describe the services he offers.

"If you put some strategy into it, you have a good chance of going up against the big guys," Uribe says. "We own our little corner with tech PR."

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