

Pay Per Click Marketing Does It Work For Industrial Companies?

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I opened a Google Adwords account, compiled a list of keywords, and developed a small group of text ads. Within five minutes of my campaign going live, the four lines of text that I had crafted into an advertisement were appearing on the right side of Google's search results. More importantly, targeted visitors began trickling into my client's website; the power of this marketing platform really struck a chord with me. I had achieved visibility on Google's highly coveted first page using the same keywords being optimized through my "natural search" project.

Let me distinguish between paid listings and natural search listings " I am not suggesting that they are equal in value, but rather competitive in value. Natural listings enjoy a higher perceived relevancy in the eyes of search users; however pay per click advertising, when managed properly, affords businesses immediate penetration into desirable search engine result pages (SERPS). Additionally, paid search marketing is much more flexible in its approach to targeting markets and budgeting for return on investment.

Search engine optimization is a valuable strategy that can deliver a strong return on investment when properly managed. Businesses can cultivate a web presence that organically ranks high in the search engine results pages, delivering requests for quote and product sales. By the same token, the effective implementation of SEO is a long term strategy, often requiring months of development and significant project costs before a return on investment is realized.

Pay Per Click marketing on the other hand is completely measurable, making it possible to monitor profitability on a real time basis. Furthermore, the pay per click model enables marketers to revise their advertisements, budgets, and target audience(s) on a real time basis. This flexibility, when properly harnessed, is the key to an industrial manufacturer's success in the world of Internet marketing.

Most business-to-business companies sell a spectrum of products or services, organized under different categories, and appealing to slightly different customers. Traditionally, industrial manufacturers relied on trade journals and tradeshow to promote their goods and services. Unfortunately, the costs associated with these marketing channels are proportional to the number of products or services being advertised.

For example, if a pump manufacturer wanted to showcase their entire product line at a tradeshow, more booth space would be necessary to accommodate all of the pump types. Additional costs might also include the extra freight charges associated with shipping the pumps to and from the show. Ultimately, the resources (read = time & money) required to actively promote a spectrum of products through tradeshow are directly linked to participation costs.

This same dilemma extends to trade journal advertisements, where marketing multiple products simultaneously translates into multiple advertisements and escalating costs. If the same pump manufacturer wanted to target market each type of pump they sell, they would either need multiple advertisements or one very large spread. Promoting an entire product line through a single print advertisement typically dilutes the marketing message and cripples the ad's return on investment. By the same token, running multiple advertisements or larger multi-page spreads cost money.

Furthermore, successful marketing through tradeshow and trade journals depends on more than just money. For example, tradeshow participation is only effective when the person manning your booth is a trained salesman, schooled in the techniques of business development and lead generation. Simply placing your lead engineer or technical support rep at a table full of products is not going to produce sales; at least not in the capacity you expect. In turn, some training may be required to maximize your presence at an exhibition.

Printed advertisements are typically created by graphic artists and experienced copy writers who can communicate a product's benefits and features in a professional and practical manner. These skills are often sub-contracted and usually require in house participation to ensure that the marketing message is correctly expressed. Aside from the high hourly costs associated with graphic designers and copy writing professionals, your sales team and/or engineers will end up dedicating a percentage of their time reviewing the proposed creative, making suggestions, and ultimately approving the finished advertisement " and all of these steps happen before the ad is even published.

Both scenarios illustrate the shortcomings of these traditional advertising channels—expensive, inflexible, and a return on investment that is difficult to measure. Furthermore, successful marketing through tradeshows and trade journals depends on a wealth of skills and expertise that often cost money. Whether these additional costs come in the form of sales training or graphic design and copywriting services, the end result is stiffer marketing costs, coupled with poor ROI tracking.

What can an industrial manufacturer do about escalating marketing costs and aggressive competitors? I can think of three words for you - Pay Per Click.

Coined by sales professionals as the purest form of direct marketing, pay per click advertising addresses industrial manufacturers' three biggest concerns - cost, feedback, and return on investment.

With pay per click advertising, industrial manufacturers can regulate their marketing spend on a daily, weekly, or monthly basis. Preset budgets make it easy to control costs and establish a baseline for measuring return on investment. When advertising through the Google or Yahoo paid search network, return on investment is easily calculated through comprehensive reporting that provides all of the information required to make smart decisions about how and when to optimize ad dollars, driving more leads, requests for quote, and sales.

The difference between pay per click marketing and tradeshows or trade journals is the extraordinary control available to the advertiser. An experienced pay per click manager can manipulate the quality and volume of search traffic that is driven to an industrial manufacturer's website. Through keyword research, targeted ad copy, and an effective display URL, pay per click managers can choose the audience seeing their advertisements. Furthermore, they can determine the price (value) of each prospect clicking through to the company's website, relative to the product or service being offered.

At the end of the day, it boils down to simple math—lets compare tradeshows and trade journals to Pay Per Click advertising. On average, attendance at a single tradeshow costs the average industrial manufacturer approximately \$4,500; this figure includes registration fees, sales staff, and travel expenses. Additional costs not covered in that figure may include the booth display, marketing materials, and promotional items.

A trade journal advertisement costs approximately \$3,900 for a half page, four color placement in a single issue. Expenses not covered in that figure may include ad photography, graphic design, and copy writing services.

Pay Per Click marketing on the other hand is not associated with average costs because each campaign is customized to meet the unique needs of the industrial advertiser. Instead, we'll look at the average cost per click, which represents a qualified (interested) visitor accessing your company's website for more information on the product(s) advertised. Generally speaking, most industrial manufacturers can expect to pay between 25 to 50 cents per click.

In other words, imagine a tradeshow whose participation costs were based solely on the number of people who approached your booth looking for more information on the specific products your company sells. From the perspective of a trade journal advertiser, your costs per issue would be based on the number of people who actually saw your printed ad placement and then accessed your company's website looking for more information on the specific product(s) being promoted.

The quick math suggests that in order for tradeshows to compete with Pay Per Click advertisements, your company's booth should be visited by at least 9000 ($\$4,500 \times .50 = 9000$) interested prospects per show. By the same token, each printed ad placement in a trade journal should yield at least 7,800 ($\$3,900 \times .50 = 7800$) targeted visitors to your website. Apart from the doubtful likelihood of either scenario, the absence of detailed reporting through either of these advertising channels makes it impossible to accurately track their ROI performance.

In summary, it would be unfair to suggest that a direct comparison can be made between any of these marketing channels. Tradeshows represent a unique opportunity to form personal relationships on the front lines, while enjoying valuable face time with associates. Neither a trade journal advertisement nor a pay per click marketing campaign can provide these benefits. Trade journal advertisements are a great branding tool, cultivating perceived value and expertise that translates name recognition into product sales.

In closing it is most important to recognize the individual strengths of these marketing channels — however it should be noted that pay per click is the most cost effective and measurable form of advertising available.

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