



Matt VanWagner on Small Budgets

Moderator: Hi, everybody. We'll go and get started then. Today, we are going to have the illustrious Matt Van Wagner. Matt is the president and founder of Find Me Faster which is a paid search marketing agency out of. . . Is it Nashua?

Matt: We call it Nashua. Some people call it Nausea but. . .

Moderator: Well, he's all the way from New Hampshire today. Matt has spoken at over 60 search marketing conferences. He's going to be a guest lecturer at undergraduate and graduate university classes, as well as the author of several online courses and the technical advisor for four books.

Matt: Yes.

Moderator: At least four.

Matt: At least four. It's a lot easier writing them.

Moderator: We are very pleased to have him today at Eurocom. A warm welcome for Matt and we'll get going.

Matt: What that introduction tells me is I'm really getting old. I have really gray hair. I just got this about 10 minutes ago. This is kind of something to be proud of. Brad Guinness put out his most current book, his most recent edition of this tone. You should all have this for a desktop reference. He invited me to be his tech editor on this edition. He had some very nice things to say about me. He said, "Luckily, I had Matt Van Wagner, the tech editor who tirelessly checked every fact, calculation, and word," which means if you find anything wrong with this book, it's my fault. I've got to tell you that I've learned so much just reading this book. I had to raise my game a number of levels because Brad is that good.

Yes, I've been a tech editor. Joe Kirschbaum, who talked earlier today, wrote a book called "PPC in an Hour a Day" and had me be their tech editor. I generally know a lot the inner workings of these various search engines and tools and I tend to think about things in a certain way.

What I wanted to do today. . . I think we have about 45 minutes, right? I'm just going to kind of go over a way of thinking and some ways that we sort of thought through stuff. I think, especially when it comes to small campaigns, you don't have the luxury of just blowing a lot of dough and finding quick learnings by blowing dough. You have to do some pre-thinking and do some good work ahead of time.

I'm going to go through some things. I'm going to tell you, we may be very basic. We're not even going to talk about a lot of specific tactics until we start talking between ourselves. What I'm expecting, what I sort of anticipated from you as an audience, that because you're in a small budget session, that maybe you're either new to paid search, your company's new to paid search, or you've got some specific problems, that you're keeping limited. Is that a reasonable assumption? How many people have been working with search for more than two years? Uh oh. Well, then we'll step it up a level. No problem.

Well, what I want to do is I want to start to identify some issues and some sort of approaches and some ideas about how to constrain and deal with small budgets. As we go, raise your hand, ask. We should do this because the mic, because you're recording this. Check. Check. Okay.

At any rate, this is all about what you guys want to learn. I've got some things that I want to talk about but if it's really boring to you, just tell me to shut up and give me a question. Okay?

I don't know if you remember the old Charles Atlas, the old comic strips, "Quit kicking sand in our faces." "Oh, shut up, you skinny runt." Did you watch, last night, that Clint Eastwood movie "Grand Torino"? "Oh, shut up, you skinny runt." That's Clint Eastwood. Don't let your campaigns be 98-pound weaklings even if you're small. You need to be small but mighty. It's time to do some work. "I'm sick of being a scarecrow and Matt says he can give me some real PPC." Let's see if we can do it.

Here's the challenge of small budgets. My first question is why is your campaign small? I'm going to go ahead and ask that since I just said it. How many people have what they call "small campaign budgets"?

Participant: How small?

Matt: What's that?

Participant: What is small, in reference to. . .

Matt: Right. Small is a relative term. You said you believe your campaigns are small. Tell me why.

Participant: Well, the budgets are 5,000 euros a month.

Matt: Five thousand euros a month? Some people would think that would be a feast of riches. Other people would say, "I couldn't spend that. I'd be done in an hour." You're right. It is relative to the market. What else?

Participant: A lot of times we use it as a starting point just to get them in the door.

Matt: Oh, so you're an agency?

Participant: Yeah, [to try to grow 5:28].

Matt: Okay. Five thousand euros, how's that working for you?

Participant: For a month?

Matt: Yes.

Participant: Well, sometimes, you shouldn't set a budget. If it's working well, then why stop?

Matt: All right. These are some of things we're talking about. Who else? A small campaign?

Participant: I have a couple of accounts that are extremely regional so they're in a really expensive space with not a lot of money to spend.

Matt: Yes. They're lawyers?

Participant: No. Exterminators.

Matt: Exterminators? Terrific. Yes. It's amazing how the extermination terms get bid up and dentistry terms. How about yourself?

Participant: I have hotels.

Matt: Hotels.

Participant: We have very limited budgets.

Matt: Oh, for each of their local properties. Wow. Lots of good challenge here. Anyone else? You'd like to grow your campaigns. I think your point is exactly right. We were just talking about this earlier. Over the weekend, all of a sudden, something went through the roof and the first thing is, "Oh, my God, that's a mistake." Right? Well, no. I think you have your budgets, if you have your mindset right, if you have your buy-in right, your spend should rise to the level to which it continues to be productive, right? That way you know you're not under-investing.

I think one of the problems with budgeting is people just don't know how to do it. They don't know how to approach it so they let other types of factors determine what their budget is. For example, "We spend \$10,000 a month on print. We don't want to spend more than \$1,000 online." You know what hippo is, right? The highest-paid person in the room is a hippo. Whatever their opinion is, you've got to be able to overrule that.

Sometimes it's a fact that an opportunity is small. One of the case stories I have is actually a very small opportunity but it's amazing what sort of things you can find when you're dealing with small opportunities. In some ways, you have to rethink.

If you have a hotel property and you only have 100 beds to sell, there's your constraint, right? Unless you have the ability to build a new hotel, that's your constraint. I think especially small business owners have a fear of wasting money. They want to make sure that their money is well spent.

We were just talking before. I had a client down on Long Island and his company almost went out of business. He had taken over from his mother. They were dealing with Judaica and fabric art until the 70s were over and then, all of a sudden, no one was buying this sort of thing anymore. They almost went out of business. They picked up a couple. They had a nice campaign going, nice operation, but I said, "I really think you're underinvesting." I was able to allow him to trust us to take his hands off the wheel. We drove spend from about \$2,000 a month to about \$14,000 a month and the curve just flattened out around \$14,000. We found a better place for him in the market.

These are some reasons why the campaigns are small but I think to your point is that you should try to set campaigns up so they can grow as you are successful.

Participant: Yes. You were saying before that other thing is that constraint. If it's a service business, I'm going to reach capacity at a certain point. Some people don't need to spend more than two grand a month because they're going to be buried, pretty much, at two grand a month and they're probably never going to grow beyond that

but, if it's a referral, they're going to pay me to manage it, I can't turn it down even though it's small.

Matt: Right.

Participant: It's too easy. It's about a half hours' worth of work to get them signed up. Then they're a customer.

Matt: Right. Your point's exactly right. As a matter of fact, last week, and I know this sounds like bragging but this is really true and it's kind of cute, but we have a client that does prototype fast machining. They called us up and said, "Stop. We can't take any more business. We've already filled out our production schedules for the next two weeks." Two weeks is the window they have. They don't want to disappoint people by not getting back to them with quotes and everything else. They call us up, "Can you turn off the internet?" "Yes. No problem. We can turn off the internet. We'll just pull it right now."

It's nice to have that. In the short term, you do have constraints like that, like in the hotel business or in the extermination business, the number of employees you have. It's nice to reach that upper limit.

The first thing is to know why your campaign is small so you know what you need to do in order to address that. There are a couple of legit reasons why it's small and some illegitimate reasons. One of the tough parts about managing small campaigns is they're hard to read. You really have to read tea leaves and you have to look at other signals within your company and your ecosystem. The data doesn't tell you enough of the story. You don't get a lot of data. If you're trying to do an A/B test, it may take until the sun burns out in some businesses to actually get a result.

I don't know if any of you guys are like this, but typically a small budget also means that they don't understand enough about the investment in internet infrastructure. When I say they, I'm talking about the hippos. You're doing it part time in amongst everything else and you don't have the expertise to do it. Are any of you in this environment? Okay. That's good.

Another problem with small budgets is people invest all in the media and they don't take and build up the infrastructure. Infrastructure is the only thing that's going to allow you to scale.

Think about a small campaign. A couple of things. Number one, design your campaigns for low maintenance. Don't design these really exotic, four-billion-keyword-type campaigns if you're going to have limited time and a limited budget. Okay? It's just not a sensible thing to do. Stay within your own comfort

zone. That sounds like a platitude but, really, it's important because it's so easy to get wrapped up in, "Oh my God. I better be doing this. Oh my God. Look at this new thing. Oh my God. Look at this bright shiny object." Stay within your core. Make sure your core is right.

I think the way to win is you've got to do a little more thinking ahead of time and you've got to do some offline thinking about what are your key advantages and then move conservatively from win to win, prove your case so that those people who are working out of fear and anxiety or maybe a constrained budget. In a large corporation, you're a division of a larger corporation. You can show them the way to higher profitability even though you know we're leaving opportunity on the table because we're constrained by our budgets.

I think the good news about this is the techniques that you apply to bring a smaller campaign into good focus are actually the best practices for any campaign out there in the world of any size. Number one, tighter, smaller keyword groups but with a twist. Use all the targeting capabilities that you can to narrow down and simplify and target your marketplace. Make sure you budget wisely for your key budget areas. I think this is one of the biggest challenges that people have out there.

I was just working with a guy and they do dentistry. Dentistry, these days, is no longer just dentistry. They do Botox. They do this. They do the other thing. It's an extraordinary business. People come when their teeth break. People come when they need dentures fixed. People come to get their teeth whitened. A dentist can do all these things. All right. When you ask a dentist, "What would you prefer to have?" "Oh, give me Lumineers. I make a lot of money on that." If you have a wide problem, a number of different things that you could sell and you do and you're good at it, take the ones that are going to give you the biggest payoff.

This sounds really simple but it's really easy to say, "Well, we do all these things. We should advertise all these things," and everything is given equal weight and you've got to use a little bit of better Pareto type of modeling on it. If you don't have the ability in-house to do this, if the constraint is your expertise and your ability to focus on this more than 15 minutes a day or a week, in some cases, consider outsourcing it, okay? How many people are agencies in here? All right. You know. People should be outsourcing to us, right? They should be outsourcing.

These are sort of the steps. I took out Steps 8 and 9 because they turned out no longer to be the case. I'm going to go quickly through a case study. Case studies are interesting only if you can internalize what I'm trying to communicate and apply it to your own type of thing.

This is literally a patisserie on Main Street in Nashua, New Hampshire. The real goal was to get the owner to take a paycheck. There are a lot of businesses out there where the owners are married to their business only because they can't divorce it. They can't sell out. Great location. They do specialty cakes, wedding cakes and that's really what's the best for their business. Their big challenge is how do we bring in new customers and how do we promote? They're on Main Street so everybody drives by them but how do they know what's happening?

The first thing is we want to define what the problem is and this is really where all the work comes in. "What do you really want your campaign to do?" "Well, I don't know. I just want to get more customers in here." "Well, can we draw the lens in the little more closely on that? How do people contact you? Phone calls? Do they order online? What would you prefer to get, a birthday cake or wedding cake?" You know what the answer to that is, right? A wedding cake. Wedding cakes are like \$12 a slice and birthday cakes are like 50 cents a slice. You don't want to be selling birthday cakes. You don't make as much money. There is a twist on that, as well. Evaluate your site. There are a couple of pages from the site that are there. Align any goals you've got with actions that you're asking people to do on the website.

Now, the interesting thing about this particular business is that they're mostly a Main Street business. They are not your typical online play. They don't take orders online.

The other thing is take a casual look at what your competitors are doing. Make sure that you're not playing into their strengths. Make sure that if they're doing something that's really cool that you haven't even thought of, make sure you do it. Take their best ideas and throw away their worst ideas.

By the way, this seems like stuff that you're probably all doing right now but make sure, especially when you're trying to go into an environment where budgets are small, you do some benchmarking and try to get any kind of data on what's happened historically. Go back into their records. Make a spreadsheet so that you know, once you put these things online, that you can measure the unmeasurable because online, we know we're going to drive a lot of traffic, but there's so much that doesn't come in as online conversion. Make sure that whatever you do, you've got some sort of tracking going on, the AdWords, adCenter, analytics, third-party tracking, and make sure you find a way to account for those things that are, like I say, unmeasurable.

This is the analytic situation that I walked into with this particular account. When those refrigerators are full of those little orders, then they're really busy. It's a very sophisticated system actually. Do you see that some of them had yellow dots on them and blue dots and red dots? These are gluten free, egg free, or whatever the

case may be. They've got a very sophisticated system but it sits on their refrigerator. We actually took a box of sugar-coated receipts and actually went back to create a history file. It's very important because, now, if we have a baseline and know where we started, we can say, "All right. We just put a couple of bucks into this. What happened?"

When we're talking about making keyword decisions, we talked about this before, these are all things they could sell. They sell coffee. Do you really want to advertise coffee? Well, maybe if you're in the mobile market and you sell high-end special blends that would be great, but you can't make much money on a cup of coffee. We decided we'd focus in on those things that are really the highest value and wedding cakes, anniversary cakes, specialty cakes.

We did some targeting, which you can no longer do, by the way. You no longer can draw the polygons within Google. Now it's all radius or specific state or DMA or account selections. You can do a two-level tier. This is another point about how to make sure that you're taking advantage of all targeting options. If you can't win outside a particular geography, make sure that your campaigns are fully constrained in there. This may be saying the obvious to folks, but you'd be surprised at how few people are doing it. In addition to targeting inside that area, you also want to target with your various geographic delimiters in there. Google now has some ability to discern search or intent and in a better way.

When we did this particular campaign, not much happened. Measurement was an issue. "Hey, how are things going?" "Great." "Is the phone ringing?" "Oh, I don't know." We really had no idea. One big surprise that we did find is we started to get orders from out of state. Well, that's kind of unusual for a Main Street business to get orders from out of state. We dug into that a little bit.

This is really, I think, what we used to sort of determine where we need to go. Is anyone familiar with what's called an Ishikawa diagram, sort of a process flow? On your way to a conversion, which is on the right there, all these various inputs impact your ability to make conversions happen. For the most part, they're all things that are in the path, so keyword traffic.

Within keyword traffic, there are a number of things that influence your ability to be successful. What is your keyword mix? Is it wide? Is it broad? Is it tight? What's the size of your inventory? How have you matched them up? Are you using negatives? These are all four things that sort of make or break your keyword traffic. Content traffic, which is now called the "display network," looking at the quality of inbound URLs, the relevance of the sites you're presenting on, this impacts your ability to convert. Your ads, are they really relevant to the landing page? This is just a diagram. It's sort of like a checklist to say, "What are all the

things that I should focus on and what should be the most important thing that I focus on?"

Out of here, we said, "Look, these seem to be some of most important things that impact this particular business," seasonality, competition, and our ability to get into landing pages with relevance and what have you. These are some of the areas we said, "This is where we really need to spend our time," and then we boiled it down to around two.

We took a look at it and we said, "The biggest thing about this site is not the campaign. We could make the best campaign in the world but I think we've got a problem with the site." This is a site that's selling wedding cakes. It's not atypical of the small business, rev one online. That's the best that they talk about their wedding cakes. These are the people who make them. Are you going to buy a wedding cake from this person? They're the sweetest, most loving people that you'd ever meet, the friendliest, and they are really, really good at what they do, but these pictures did not say that.

The very first problem, before we fix any keywords or any ads, because we did the Ishikawa analysis, we said, "Let's solve this problem. This is a top level problem," and off we go. We take and we just build a site that maybe focused on their top things, desserts and pastries, cakes, custom cakes and then allergy free, which was interesting. Now, this starts to look like someplace that you actually book a visit and buy cake.

What we actually found out when we did this analysis and we started to build a website is they had a niche that they didn't even know that they could exploit. This whole issue of gluten-free, allergy-free foods is huge. It's impossible, if you're on a restricted diet, to eat anything that's fun. They have actually been able to do gluten-free, crumbly pie crusts. Unbelievable stuff.

Great. We got an epiphany just by taking a step back. We started to build a lot more gluten-free-type keywords. We organized them into good keyword groups. If you'll pardon the pun, we found the sweet spot which was customers looking for allergy-free. We got it to the point where they were so good that they were starting to package up mixes for the local stores and they were actually looking at packaging to be able to sell cupcakes and cookies that they could actually ship. Very, very cool stuff. This is without changing a bid. This is without anything else. Managing to a small budget means you've got to do this before you do that. Now that we've done that, we know or we can invest our money.

When it comes to managing small budgets, this is now the tactical part. These are the only real options you have. You can constrain budgets. You can say, "All right. This is the amount of money we have to spend. We can allocate it by day."

You can put limits on it so that you know if you overspend. You can put limits on it to know if you're under spending. Great. Are you doing this? Are you guys doing budget constraints? Do you know how to do that within AdWords? That's one of the main things you should do on a tight budget.

Actually, there are a few new bidding options that give us a little more running room within paid search. We've had CPC, we've had CPM, we've had cost per acquisition, right? CPA bidding? Now we have a couple of new options. Have any of you tried cost per conversion, the enhanced CPCs rather, where we're not just bidding to the click or the conversion but we're doing sort of a blend of both? How's that working? The nice part is that works on a little smaller data than the CPA bidding does and is not constrained. You don't have to over-set your bid by a couple hundred bucks to make the volume come in. You also have the ability to work within that framework, to be able to expose your clients to a few more clicks than they might otherwise get.

Geographic targeting, of course, we'll talk about that, time of day, time of week. These are not new concepts but these are critical to managing to a small budget. We have a client that does sheet metal manufacturing. They basically work from 8:00 in the morning until about 6:00 at night. The phones don't get picked up after hours. This is the way they do it. After hours and on weekends, guys are working on their pick-up trucks or building ductwork for their air conditioners, that sort of thing, are searching on "sheet metal." By just taking our keywords off for those times of day and those days of the week, we actually focused the budget in so that we're only going to a B2B audience.

We have new ability within network selection. Of course, if any of you went to the mobile section earlier on, you know that we can actually target by specific device, by tablet or whatever. If you're not already segmenting them out just to take advantage of bid differentials, this is something you could go back right away and do. Take your search campaigns, copy them into mobile campaigns. Even if you're sending them to a crappy site, you're doing that already right now. At least send them to a crappier site with lower bids.

I think geographic targeting is something that people don't use quite as much as they really could. We have one client that sells bulk plastic down in Atlanta. Their ability to compete really diminishes as the UPS truck, or their delivery truck, drives away from the factory. If they try to sell to California, which they've taken some orders, there's a lot of business out there, but their ability to compete with California manufacturers becomes tough. They want to sell all over the country but can you really compete and win in that part of the country? A very simple strategy of saying, "Look, we know that we can win in Zone 1 of UPS so let's make sure that we are at the top of the big chain there. In the rest of the country, let's maintain a presence but diminishing as we go away from our factory."

You can also target by language. You can bid by time zone. How many of you have Central, East, West campaigns? Have you replicated those? That's a great way to make sure, especially in the retail business, that you're hitting lunch hour at lunch hour.

Participant: Twenty-third.

Matt: Twenty-third century. Google still makes us tell them what time our people are clicking on our ads, which is really, really crazy but we have to build out campaigns. Microsoft, of course, on the adCenter, allows us just to say, "When it's lunchtime, please show our ad," and it's smart enough to know where the user is. In Google, you actually have to segment your campaign. These are some of the things you need to do.

Google just changed its language once again. I don't know if you've been in your campaign and seen the settings. Is it maybe like three weeks ago that's changed, two weeks ago it's changed? You have the ability to location target. Either you geographically say, "Only show it to people in this area," or you say, "Show it based on search or intent." Well, they just changed some of the language but they're also now adding this capability into the display network, so people searching for or viewing pages about my target location. It's a new language they're using for the targeting options within geo.

My colors sort of went funky here. On a small budget, I've always told people not to do anything in the display network. I think this is changing rapidly. It used to be that that was where half of the crap lived in your campaigns but now we have the ability to do three levels of targeting and it's getting even better. There's some other stuff coming I can't even talk about. You now have the ability to drill-in by keyword. You can show your display ads on sites that are by keyword, plus you can say, "Only this URL," plus, "Only this URL and this keyword when it's in this topical area." You can imagine some of the changes that are coming. They're just going to get better and better. Enough said.

It's kind of the point where, right now, if you've avoided content or display campaigns for your smaller budgets, it's now worthwhile again to get in there and use the topic definitions. We now have the ability to bid specifically by keyword, within display campaigns. If you've been in your campaigns lately, you may have noticed there are some things that are sort of changing around. Because you now have the ability to target by keyword, your bids in the keyword groups now take on a different importance. I think in terms of small budget campaigns, you might want to get back in and take a fresh look at what's going on in the display targeting network because you can really narrow your area down quite a bit. Display by topics, keywords, placements, negative topics, negative keywords,

negative sites, negative URLs, geo, and even demographic targeting. All of a sudden, it's almost like you can target right down to the specific user you want.

Instead of being the 98-pound weakling, you will be the guy that takes and gives it to your competitors on the chin. I just wanted say those sort of things. I see some blank stares. This is some stuff that is maybe familiar to you. My question is, how much time do we have? Who's our timekeeper?

Timekeeper: We've got about 17 or 18 minutes.

Matt: Seventeen or 18?

Timekeeper: Yeah.

Matt: Terrific. What I want to open it up to is just a discussion of what sort of problems are you having with your campaigns? What's a problem that you can't solve? Let's see if we can't sort of do it interactively. We can even take, and maybe, get on the internet. We could try that. I'll open it up to you guys for questions.

Participant: The difference between the product business and service business, obviously I think we all want more product business. You've got to work a little bit harder to get those. The product businesses that I get are super niche. They're national in scope but it takes me a long time because I'm not getting a ton of data and I'm working in a vacuum. It takes me a long time to kind of flush out the different things.

In the one case, I worked with this guy for about a year before I had enough data to start making some meaningful optimizations and he started seeing growth and then started spending more money. It just sounds like a stupid question but do you have a way to accelerate the decision making when you don't have enough data? There's no way to fabricate, like for bridge data that you normally get with the bigger campaigns.

Matt: Well, no. You can do some modeling. You can do some simulation but at the end of the day, what you've got to do is prove that you're going to be profitable in the lower area that says, "I'm going to be able to expand this thing and be profitable in a larger place." If you make your campaign too broadly focused, you don't have enough data in one particular area to be able to make your conclusion.

All right. I'll give you an example of something that we've just been working on and are having some success with. Drugs and alcohol. I have a lot of success with drugs and alcohol. We've got a rehab clinic that will take clients from anywhere in the country. When you're trying to clean yourself up, it's probably better to get out of your hometown surroundings than it is to stay locally because you're going to

be tempted until you've strengthened yourself enough and cleaned yourself up so that you can deal with these things. This is real serious stuff and it's important we get it right because people's lives depend on it.

The problem with this particular keyword space if you earn more than a quality score of one, you're really lucky because you're in that pharma area. You're talking about rehab. You're talking about drugs. You talk about crack. Crack and heroin and all these words are words you buy. Google hates this stuff. The keywords tend to be then, as a result, very, very expensive. You can throw shit at the wall until you just run out of money.

We just tried a couple of things. We said, "All right. Let's see if we can draw the lens in. I think the way we're doing this is we're trying to peel back the layer of the onion this way. All right. We can't compete in the whole country. Tell me where most of your patients come from right now. Fantastic. What we're going to do is, instead of 50 states" Is it 50 or 52? I always forget that. Me and Barack Obama have that problem, 50 states.

We said, "What are the five or six states that we know we can compete with or that our history says that we're successful? Great." There are plenty of drug and alcohol problems in the states to fill all the facilities that we have. If we can solve the problem just here, we just narrowed the world down to these areas." Even doing that was a little tough because we're doing drugs, we're doing alcohol, we're doing crack, we're doing methadone, all the things you can possibly say. Then, on top of that, are we talking to the person with the problem, the mother, the father, the son, the daughter, family member, the loved one? You have some issues with how to communicate to the people.

We still couldn't get enough data because at the keyword prices, it was still hard to justify. We said, "All right. We can't do both drugs and alcohol and get enough data in order to make our model work, in order to prove this case out. What can we do? Well, why don't we call upstairs to the sales department? Would you rather have us send you someone on the phone that has an alcoholism problem or drug problem?" "Drugs." The answer came back immediately, just like that. "Thank you. That just cut out half our keywords, half our expense. Let us drill just a little bit further down" Now the question is, "Do people think of rehab as programs or rehab as facilities?"

What you do is you just keep kind of pushing these things away until you get to that area where you can generate enough data and be able to come up with a reasonable answer. You can say, "Ah. I've got it. I'm going to take this and now I'm going to start to grow back out." I think that's one process you can do. It takes a hell of a long time to do it. I don't know. What's your current approach?

Participant: That's what I ended up doing but not intentionally. I just kind of rolled with it for about a year and then through follow-up conversations and things like that, I learned more about his customer from the initial interview that I did and I finally was able to hit on one or two things. I know this now. I didn't know this then. One of the things he told me was that the first thing when the customers call him. . . He sells commercial table legs for, like, restaurants, table legs and bases. It's very, very niche. You wouldn't think of anyone doing that, but he does it pretty good.

Matt: Oh, by the way, he's talking about a niche market. If there are any other table leg competitors in the room, you need to leave right now.

Participant: What he said to me was that the first thing that people. . . This is, like I said, an accidental follow-up interview. We were having lunch at kind of a follow-up meeting a year later. He said, "Well, the first thing that everyone asks me when they call, instead of buying online is, 'How long? How tall? What size? Do you have this size? Do you sell 41-inch legs and you have 20 of them?'" I was just able, just by the length, build that into the ad, build that into the keyword searches and, all of a sudden, everything just rocketed up and in three months, he tripled his budget and all of a sudden I'm making money off of this account. It used to be my biggest headache. I made the same conclusion. You go back to the customer or you just interview them some more but I didn't know if you had anything else besides that.

Matt: No. As a matter fact, I think you brought up a really good point. Steps 8 and 9 that I took out actually had to do with ways to get better ad copy. Especially as agencies, we're a couple levels removed from what the salespeople really know works. These people on the phone know how to talk and they know what the trigger points are and they try this word and they try this word and, "Ah. Okay. Got it," and they're dialed in, but it takes them less than 15 seconds to do it. They can be your best ad copywriters. On a small budget, make sure you don't disconnect. . . Make sure you don't do this in a vacuum. Make sure your sales team is dialed in. Again, you're drilling in your keyword set. You're going from a very small focus group, in a small focused area. Then once you prove your case, you can go up.

Participant: Well, one other thing that came up with this one, this bigger one, is. . . These are pretty expensive table legs. One table leg can be \$300. One thing that came up in this was, "Is the generic kind of. . . Each type of table leg or table bases, do they have any value?" I wasn't seeing it anywhere in the conversions because everyone who came to his website was either typing in the URL or the name of this company. I got some advanced tracking stuff to do that and figured out what really was the first click. I was able to determine that somebody just typing in "generic table leg" really is probably going to progress and eventually type in "36-inch chrome, brushed, table leg." The way that I found that out was I got rid of

them. I got rid of the exact table legs and then, two weeks later, he's calling me up and saying, "Hey, what did you do? I'm not making any sales." The sequential customer, that's pretty tough to spot, especially in a niche market but it has everything to do with them later buying because they're seeing them multiple times.

Matt: Well, because you're probably not a brand that people would recognize so once they've done a search, they start to do the brand searches. I think there was another question that we had here, too. I think your points are perfect.

Participant: Yes. I just wanted to ask how you deal with budgeting especially more expensive spaces. High end, the thousand-dollar budget a month and the average cost of a click is \$10.

Matt: Right. You can't.

Participant: You can't have more than one, otherwise you'll run out of room. How would you deal with that?

Matt: How many keywords in your campaign?

Participant: Depends.

Matt: Just use that same Pareto analysis which is, "What is going to bring me the biggest return? Where do I have the biggest competitive advantage on? What can I win on?" Maybe you get it right the first time. Maybe it takes two or three times but don't try to do it. . . What you want to do is whittle down the list of possible keywords. Just because you have all these things doesn't mean you have to advertise them. Your job is to win. If you can figure out the smaller set that wins, then that proves you can get an [RY 40:32] that's acceptable. Then you can grow from your 1,000 to 10,000 pretty quickly. I think it's, again, narrowing it down quite a bit.

By the way, the other thing about small campaigns is there are a lot of keywords, and this is a very interesting point, where you're in a niche market. Table legs, that's not such an explosive niche but there are other keyword sets that. . . A table leg is pretty much a table leg. You might have consumer or commercial intent. There are other words that crossover commercial and consumer into two different areas. You just may not be able to compete on the word that you think would be the greatest head term in the world. You may have to go to mid-tail or to long tail in order to successfully get the type of clicks you want. Negative out the exact match because you just can't afford to compete on it. Just live with it. If you have ambiguous keyword areas in a small campaign, you've really got to be clever about how you do your targeting.

Participant: One thing managing smaller campaigns, now is six or seven different optimizations and it's over-optimizing. It's actually become an issue to the point where you're getting no traffic. You're looking at location settings, your enhanced CPC, all these different best practices that we know we should be using but it gets to the point where all of a sudden your conversions are gone because.

Matt: Well, it's funny because you do have to do sort of a sanity check because as you get more and more clever about what you're doing, you need a control against which to make sure that you haven't over-optimized. Where we get this the most is, not necessarily on the time of day or the bidding, but it's on massive negative keyword lists that we move from group, to group, to group. One word can kill a lot of traffic. Sometimes it's the accumulation of a lot of words that does it. It's death by degrees. One way to combat that is just every once in a while do a quick audit. Just throw up a broad match or take off the negatives, constrain it by bids, so you make sure you're not ripping off your own traffic but just to see whether you haven't done that. You need to do that every once in a while.

Timekeeper: We have time for maybe one or two more questions.

Matt: Say it again.

Timekeeper: We have time for one or two short questions.

Matt: All right. Two. Go ahead.

Participant: What do you do when your biggest limiter is the cost of CPCs and your quality scores are very high?

Matt: Your quality scores are very high? You mean good? Your CPCs are also?

Participant: The CPCs that I can afford are limited traffic.

Matt: What you've got to do is just find clever ways to target more directly. See if you can win in a particular geography. Look at your intraday and intraday bid landscape or position landscape. It may be that a simple bid at noon might change the way your economics work. You can always do keyword research but I think most of us have probably keyword researched ourselves to death. That used to be a hard thing to do. The hardest thing is actually pulling all that back in.

I think the over-optimization issue sometimes gets in there. We tend to be a little too blinded and there are sometimes words that are literally right here. In that particular case, especially if you've been working on a particular campaign for more than a year or two. . . How many people have been working on the same

campaign for more than a year? Blindness in keyword spaces and over-optimization do become factors. Every once in a while, go ahead and get the competitive analysis tools.

A really good one that I like that shows you where you may have some gaps is [eSearch 44:37] Metrics over in Germany. It's a fairly new tool. They've got a good free offering. It's not inexpensive once you get working with it. eSearch Metrics. That will show you your competitive space in a way that you may not have seen it, not necessarily perfectly accurately. None of these competitive analysis tools are perfectly accurate but, all of a sudden, it's like it asked you the question that you're blind to because you've been working too closely in for such a long time.

I would say two things. Number one, make sure you do just a quick check of what your competitors are doing and a keyword research, again, just maybe once a year. Use an AdGooroo. Use the Keyword Spy. Use a couple of other tools to see if people aren't laterally passing by you.

There are going to be spaces where people have better economics than you do and you just can't. . . If you're not the low-cost provider, then the marketplace will have kind of snuffed you out a little bit. Hopefully, you can be clever and find some other ways.

The other thing is bring someone else in to do an audit of your campaign. Just pay him a half a day to come in and say, "Take a look at this for me or this one area." They'll tell you things that you sort of knew but forgot or knew but didn't get around to. Do we have time for one more?

Moderator: If it's short.

Matt: Short. Do you have one short question?

Participant: Do you have bids for clients who don't have many hours? I work for an agency and they only have one hour a week that I can spend on that account.

Matt: No. It was a short answer, right? A very short answer. The problem is limited time?

Participant: Yes.

Matt: Then you've really got to scale back to those things that you know you can absolutely win on because, as we know, sometimes things can blow up. You can quickly budget go away. If you're not going to invest appropriately in an important advertising market, then make sure that you've got this thing so tightly

drilled in that it will never do anything great but it won't hurt you. Yes, there's going to be death by degrees because as you're not watching it, your competitors are in the marketplace. It's dynamic. They're going to be doing better things, better conversion rates, better economics. That's not really a strategy. That's not an option. They shouldn't be doing that. Tell them to spend more time.

Participant: Yeah.

Matt: Well, anyway, I want to thank you very much. This is a great dialogue. I think any one of you could probably be up here giving this same lecture and we'd have an interesting conversation. I hope tonight over drinks and that sort of thing, let's talk and share some additional specific tips about things that you couldn't put out in plain air. Anything you tell me, I promise I won't tweet out for at least 10 minutes. I know how to keep a secret for 10 minutes. Thank you very much.