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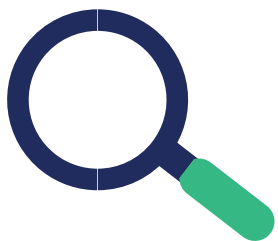
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While there are many free ways to promote your business, paid advertising is not to be overlooked. In fact, thanks to search engine and social media technology, online advertising has become an effective way to drive marketing goals and generate a steady stream of leads and customers for businesses of any size and budget.

Online ads come in a variety of styles, each with its own requirements and benefits, and can be done with almost any budget. Whether you're running the campaigns yourself or having someone do them for you, knowing how everything works and how each channel compares to one another will help you to pick the right one(s) for your business and yield the best return on your investment.

This eBook will provide a big picture explanation of how and why online advertising works, and then will go into depth on seven of the most popular channels to use.

ONLINE ADVERTISING BASICS



The online advertising we're referring to in this eBook is that of pay-per-click advertising. Before we get into the specific types of PPC advertising, let's take a look some of its general characteristics.

How PPC Works

Pay per click advertising works like an auction, except bidders with the most money do not have an automatic advantage. Here's why:

- You select the conditions that will trigger your ad (targeting criteria).
- When those conditions are met, the platform's algorithm calculates your ad rank with respect to other ads targeting the same conditions.

HOWEVER,

- Advertising algorithms use many factors to rank your ad, including your bid, the quality of your ad, its relevance, and performance.
- Your rank is not static. In fact, it is calculated every time those conditions are met.

As a result, businesses with lower budgets can still compete with ads that have higher bids.

So how does the bidding process work?

Bidding Types

With online advertising, you need to determine your bid and your budget. Your bid is the maximum rate you're willing to pay for your ad (depending on your strategy it may be per click, per impression, per action, which we will explain below). Your budget is the amount you want to spend in total for your ad. Your overall budget will help you to determine your bid.

For most PPC platforms, there are two ways to bid:

Automatic Bidding

With automatic bidding, you set a daily budget and the ad platform will set and adjust your bid to get the highest number of clicks for that budget.

Manual Bidding

With manual bidding, you set your bids for specific ad groups, ad keywords, or ad placements.



Bidding Strategies

Depending on your marketing goals, there are different ways to focus your ad bids to get the highest return on your investment. Here are three main strategies you'll find on most advertising platforms:

Cost Per Click (CPC)

Cost per click means you pay each time a user clicks the link in your ad. The higher your click-through rate (CTR), the lower your CPC.

This is ideal for businesses who want to drive more traffic to their website.

Cost Per Impressions (CPM)

Impressions refer to how many times your ad gets displayed in front of a user. Since impressions occur at a much higher frequency than clicks, cost per impression is typically calculated as the cost per 1000 impressions.

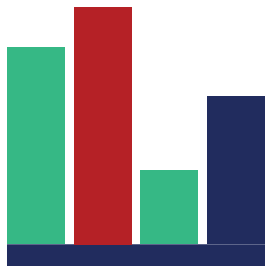
The CPM strategy is ideal for businesses who want to raise brand awareness and get the most eyes on their ad as possible.

Cost Per Action (CPA)

With CPA, you pay only when users complete a defined action after viewing your ad. This might be liking, commenting, sharing, claiming an offer, taking a survey, or posting a review. This bidding model tends to be more expensive than other options, but yields a higher return on investment.

Now that you have a better idea of how PPC models fit into the world of online advertising, it will be easier to understand the specific types of online ads and how they compare and contrast—which are in the next section.

WHY PPC ADVERTISING WORKS



The pricing and ranking models mentioned above have leveled the playing field such that businesses of any size or budget can effectively advertise online. This is great news, because PPC advertising offers many features and benefits that can help you reach your marketing goals.

Engagement

Americans now spend an average of [10 hours per day online](#), so when you advertise online you are reaching your audience in a place where they want to be and are already engaging.

Convenience

Instead of having to call a phone number or log on to the web and go to a site, online ads bring an interested user directly to your site, in the moment they are ready, with one click. Being able to reach so many relevant people so quickly is also convenient for you as the advertiser.

Targeting

The quantity and quality of user data collected by online platforms has skyrocketed. This is due to advancements in targeting technology, as well as to the prominence and widespread use of personalized and preference-based apps where users willingly provide that data.

These massive stores of data collected by online applications afford advertisers the ability to target highly specific groups of people based on information such as geographic location, age, gender, interests, behaviors, and similarity to your existing customers.

Analytics

Most online advertising platforms offer extensive tools for tracking, monitoring, and measuring your campaigns to help you identify areas of improvement and gain valuable insight into your audience.

Thanks to the visibility, convenience, and targeting offered by online advertising, you can:

- Reach the right people, which drives down cost and increases ROI.
- Cater your content for specific groups, which improves effectiveness.
- Drive relevant traffic to your website, which helps to increase conversions.

Types of Online Advertising

Online advertising is available on a number of online platforms, including:

- Search engines (ex. Google)
- Websites
- Social media platforms
- Review sites and directories
- Video platforms (ex. YouTube)
- Mobile app stores

This eBook covers the first three platforms in the above list. These ad types include:

- Paid search ads
- Display ads
- Native ads
- Facebook ads
- Instagram ads
- Twitter ads
- Retargeting ads

Search Engine Ads

What they are

Search engine ads show up on search engine results pages (such as when you perform a Google search). The term “ad” can be confusing, as these ads don’t fit the visual profile you may have for a typical ad. A search ad is just a web page listing on a search engine results page, for which you pay to show up at the top of results.

OTHER NAMES FOR SEARCH ENGINE ADVERTISING:

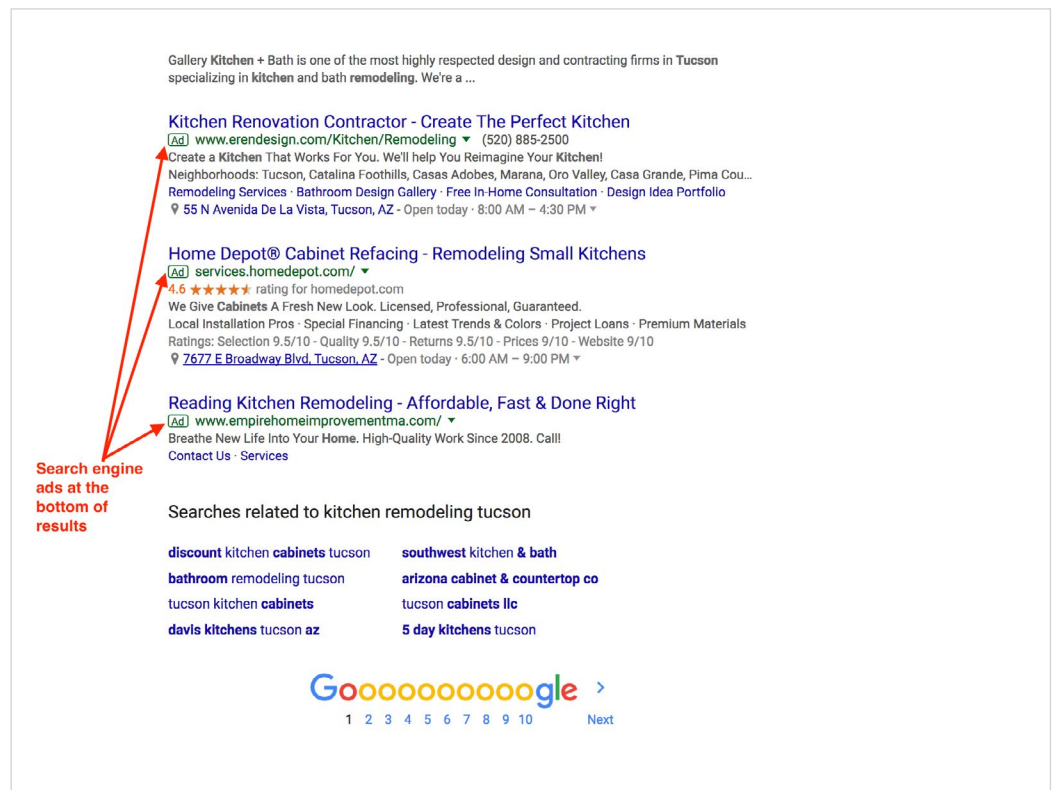
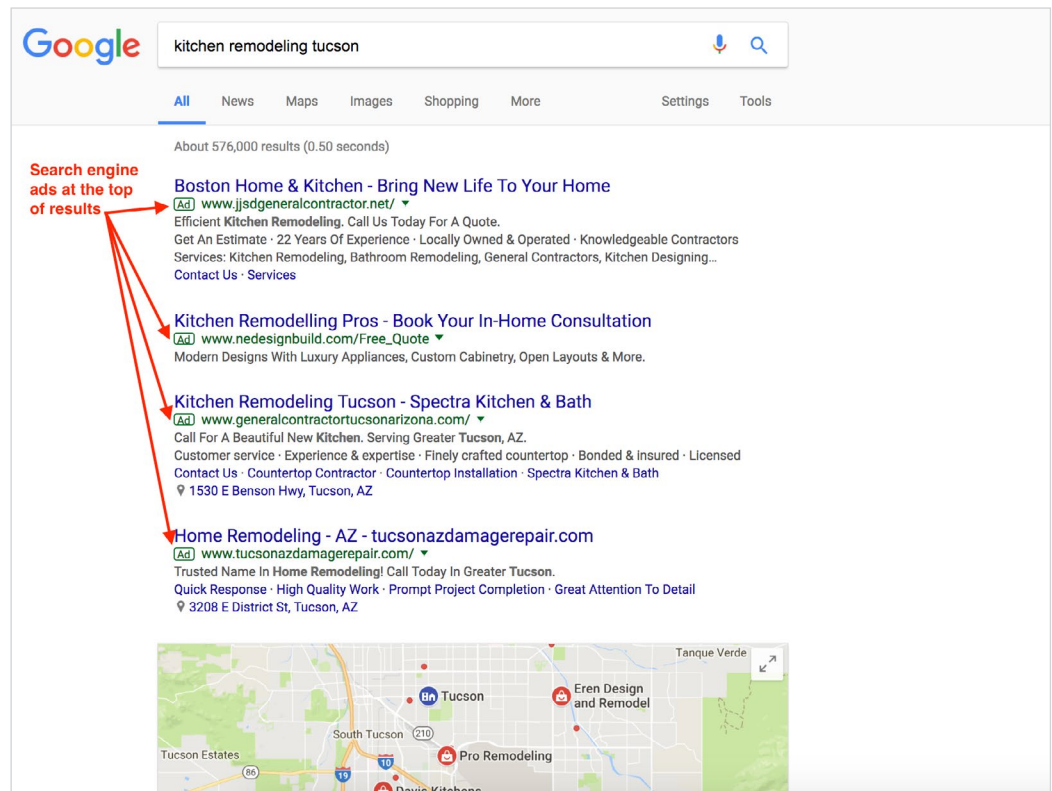
Search engine marketing (SEM)

Paid search ads

Search ads

What they look like

SEM ads look like any other search engine results page listing, but are marked as an ad. They appear at the top and bottom of results on a search engine results page SERP.



How they work

When you run a search ad campaign, you choose which keywords you want to bid on and how much to bid. When a user performs a search using your keywords, your ad will appear at the top of the search results page, with a disclaimer indicating that it is a paid result.

You can target your ads to appear in front of specific audiences, such as by interest, language, geographic location, or device.

Search engines take many factors into account when choosing your ad rank (where and when your ads show in relation to other ads), including:

- Bid
- Ad quality
- Ad relevance to keywords
- Click-through rates



Advantages of SEM

Along with general advantages of online advertising mentioned in the first section of this eBook, search ads offer these additional benefits:

Visibility

Search ads get your website to appear on the first page of Google and other search engine results pages, granting you maximum visibility.

Immediacy

While search engine optimization (SEO) is the most sustainable approach to the first page of search results, this is a long-term strategy that can take months. Search ads appear instantly and can be used in the meantime while you work on your organic visibility.

Relevancy

You can reach people who are seeking out the exact information, products, and services you have to offer rather than those who simply come across your brand when browsing a website for something else.

Experience

Search ads are incorporated into a user's search engine experience, minimally distinguished from organic search results.

Minimal Design Work

Because search engine ads don't have any graphic elements, they are more feasible for a business owner or marketer who doesn't have access to design resources.



Disadvantages of SEM

Competitive

Given how effective they are, search ads are highly competitive. While you can compete with brands of higher budgets, this requires you to be extremely strategic with every aspect of your campaign.

Minimal branding

Search ads are text-only, so aside from the ad copy you use, you don't have many opportunities to express your brand. You need to know how to capture your audience with the right words.

Research-heavy

Paid search campaigns require you to know which keywords your audience is using to find information and which keywords your competitors are bidding on. This information is dynamic so it requires time and tools to stay on top of everything.

Display Ads

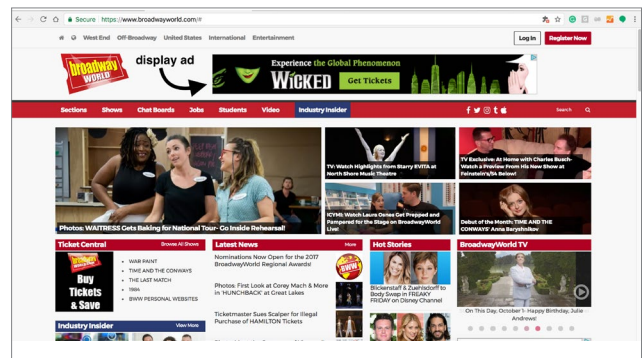
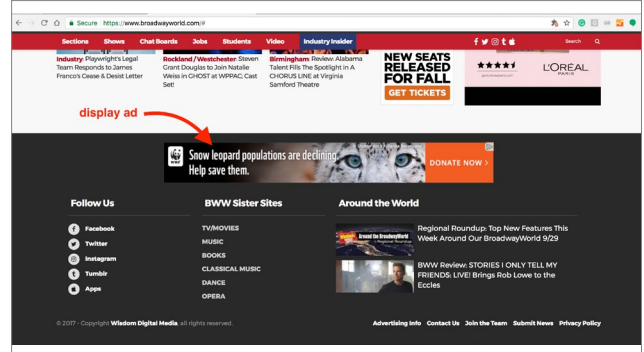
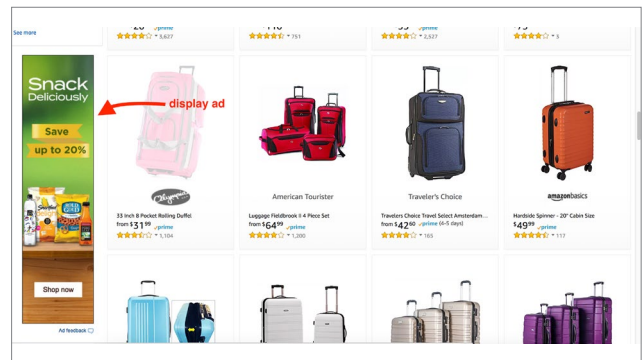
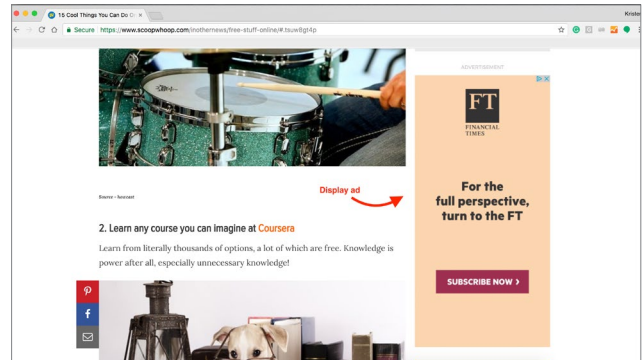
What they are

While SEM ads show up on search engine results pages, display ads are found on web pages themselves.

What they look like

Display ads can appear anywhere on a web page: on the top, bottom, sides, and even in the middle of the content. They are also called banner ads, because many of them take the form of a long and narrow banner.

Display ads are typically branded or designed with eye catching colors, graphics, and call to action buttons.



How they work

This online advertising type enables you to put your ad on specific pages related to your industry or product. As with online advertising platforms, you can also target particular demographics.

Display ads don't get placed on just any webpage. The platform you are using will have a particular network of pages that allow display advertisements. For example, if you are advertising through Google, your display ads will show up on websites that are part of the Google Display Network.

Here's how you can target your display ads:

- Keywords- websites containing them or users searching them
- Website topics/themes
- Specific websites
- Audience- such as website visitors, interest, location, language, device



Advantages of Display Ads

Along with general advantages of online advertising mentioned in the first section of this eBook, display ads offer these additional benefits:

Relevancy

Since display ads get placed on pages relevant to your offer, industry, and/or target audience, those who see your ad are more likely to be receptive to and interested in them.

Visual Appeal

Unlike with search ads, you can use imagery, animation, and other branded elements for display ads to capture your audience's attention.

Brand Awareness

You expand the reach of not only your business name (as with search ads), but also of your brand image and identity.



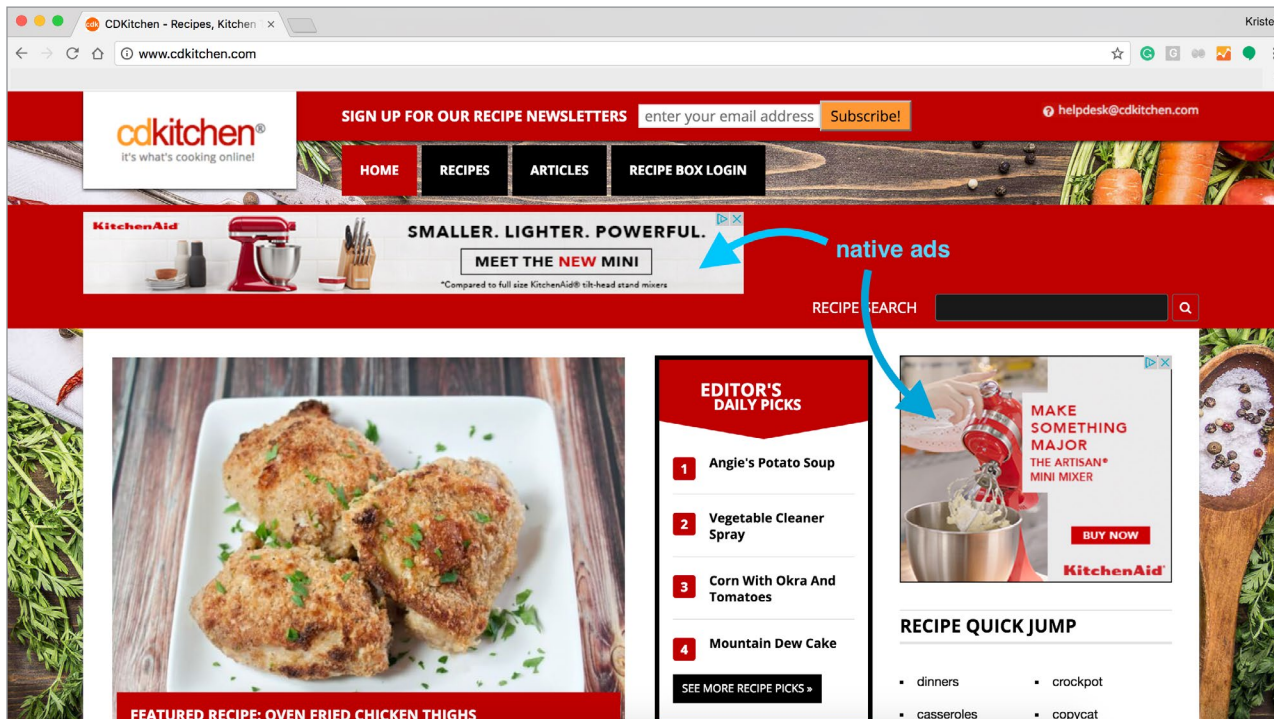
Disadvantages of Display Ads

Display ads can sometimes be seen by users as distracting and disruptive. This can cause the user to develop negative feelings toward your brand, or to ignore your ad altogether. Avoiding being disregarded while also not disrupting users is a tough balance to strike.

Native Ads

What they are

Native ads appear in the same places as display ads—on web pages—but they take on the same look and feel as the content around them.



How they work

When working with a display ad publisher, you choose the elements your ad will contain (headline, image, body, logo, call to action, advertiser name) and provide the content for each. The publisher will then use the content to create ads that are native to each website on which it appears.



Advantages of Native Ads

Along with general advantages of online advertising mentioned in the first section of this eBook, native ads offer these additional benefits:

Experience

Since native ads blend in with the content around them, they facilitate a more seamless user experience for the pages on which they are placed. This ensures that users will not feel disrupted or distracted by the ad.

Less Salesy

Ads that are flashy and attention-demanding can be enough for a user to not click on the ad, and maybe even exit the page. Less salesy ads are sometimes more pleasant and inviting for the user to click.



Disadvantages of Native Ads

On the flipside of being less flashy, people can sometimes click on native ads without realizing they are an ad. This can cause users to feel deceived by your brand or by the site they are on.

Facebook Ads

With more than two billion users (as of June 2017), Facebook presents a fantastic opportunity to reach a vast audience. Facebook ads combine both native and unique elements to help you stand out without being disruptive.

How They Work

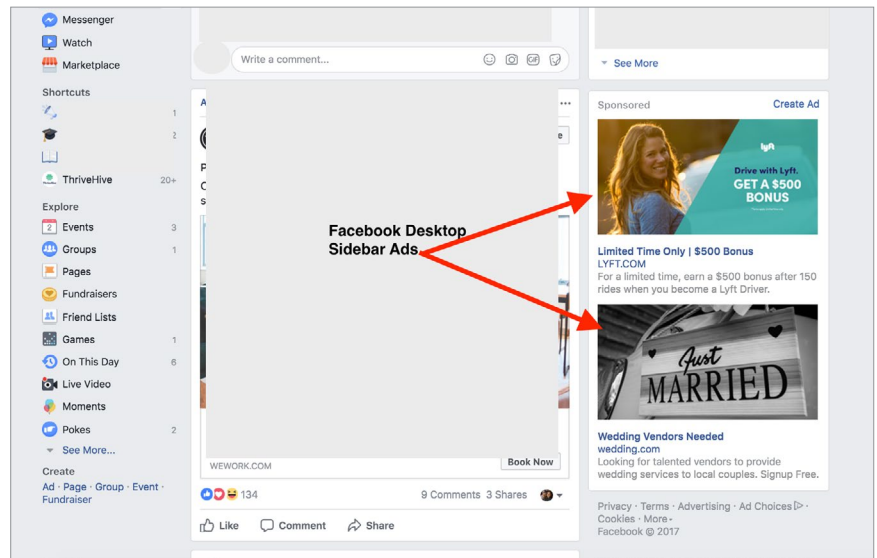
To run a Facebook ad campaign, you first need to connect your Facebook Business Page to Facebook Business Manager. You'll also be asked to choose an objective from either the awareness, consideration, or conversion category.

What They Look Like

Much like display ads, Facebook ads come in different forms: Desktop Sidebar, Desktop Feed, and Mobile Feed.

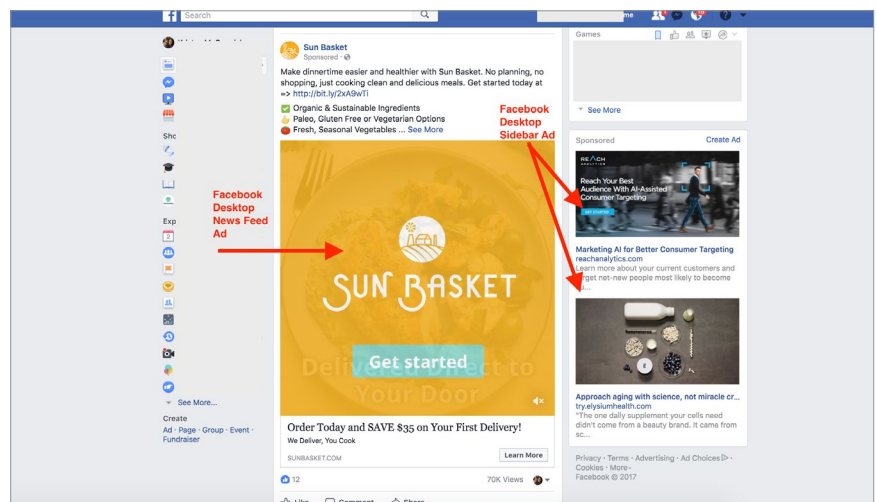
Desktop Sidebar Ads

Sidebar ads are the oldest type of Facebook ad. They appear only on the desktop site, in the section to the right of the News Feed that contains other widgets like “trending” posts or news. They are more likely to be ignored by visitors because they are off to the side, but a gripping image can catch the user's eye.



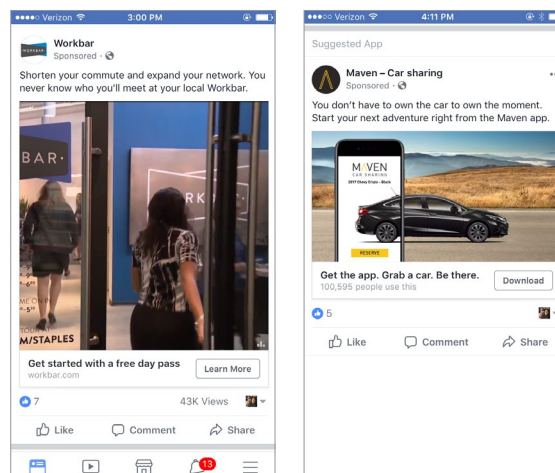
Desktop Feed Ads

Ads within a user's feed (currently labeled “Promoted”) look similar to regular posts. In the same way that SEM ads are integrated into search results, the Desktop Feed ad is likely to garner at least a moment's notice from the viewer because it looks like another post they might be interested in.



Mobile Feed Ads

Mobile Feed ads work in the same way as desktop feed ads, but are targeted at mobile users only.



Other Facebook Ad Types

Here are a few subtypes of Facebook ads that can apply to multiple formats:

Carousel Ads

This type of ad allows you to showcase up to 5 different products, appear in mobile and desktop News Feeds as well as the sidebar.

Lead Ads

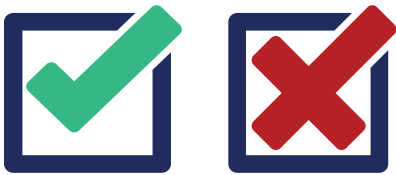
These ads offer a simple way to gather information without even leaving Facebook, and show up in mobile and desktop News Feeds.

Canvas Ads

Canvas ads appear in the mobile News Feed only, and combine a mix of media types to create a full experience around a brand or product.

Facebook Boosted Posts

Boosted Posts appear in users' News Feeds, but can only be created out of previous Facebook posts. Boosted Ads have fewer options than News Feed Ads in terms of goals, objectives, and targeting, which make them a great option for someone just starting out with Facebook advertising.



Advantages and Disadvantages

The advantages and disadvantages of Facebook, Twitter, and Instagram Advertising will be grouped together in one section after each platform has been explained.

Instagram Ads

Known as the social media platform for the visually inclined, Instagram presents a nice opportunity to showcase your design talent (or your designer's). Instagram ads also provide some of the best click-through rates.

How They Work

Instagram advertising operates through the same system as Facebook ads, so you'll need to connect your Instagram account to your Facebook page, and from there connect your Facebook page to Facebook's Business Manager.

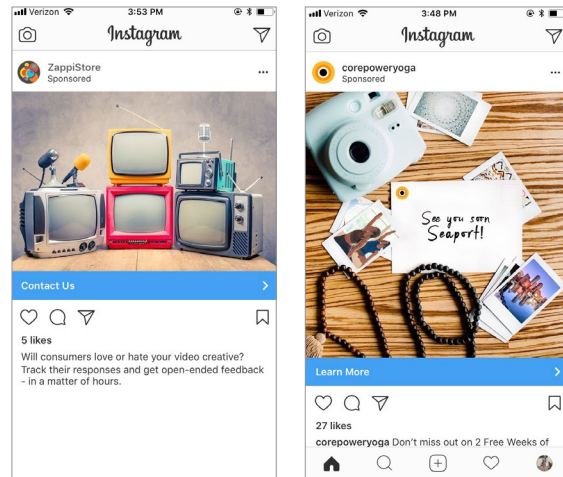
Instagram ads can be geared toward:

- Website clicks
- Website conversions
- Video views
- App installs

There are four types of Instagram ads that can help you to showcase products or services, introduce new ones, or promote events or sales, and special offers.

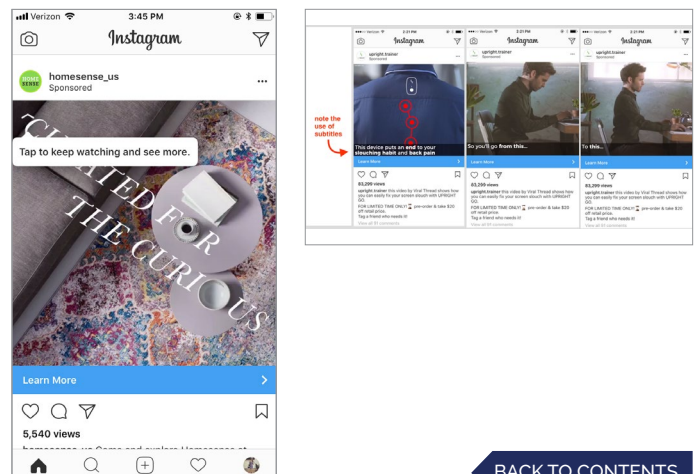
Photo Ads

Instagram photo ads are simple and easy. You can use square, landscape, or vertical formats (resolution will vary for each format). Videos are engaging, but you can pack a powerful punch if you use the right image and caption.



Video Ads

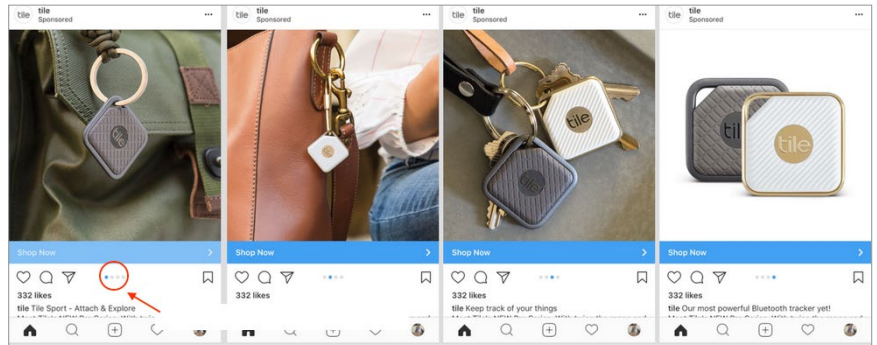
Your Instagram ad video can be up to 60 seconds in length. All videos on Instagram automatically play without audio (users have to tap on the video in order to activate the sound), so it should not be totally dependent on audio.


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Carousel Ads

Instagram Carousel ads enable you to include multiple pictures or a mix of picture and video in one ad post. Just as with a typical multiple-picture post, users have to swipe left to see the other images in the ad.

Note that some video ads may look like carousel ads, as they might shift through images in a slideshow format. If you do not want the user to have to swipe through the images themselves, don't use the carousel ad format—stick with video.



Stories Ads

Instagram Stories help to tell an engaging story about your business and captivate your audience. As with video ads, the key to getting results out of a Instagram Stories Ad is in making your point clearly and quickly, as your viewers cannot rewind back.

Twitter Ads

If your audience loves Twitter, advertising on this platform can be a great way to strengthen engagement and grow your audience. Like Facebook, Twitter ads allow you to promote offers through users' feeds, and give you options in terms of cost and results.

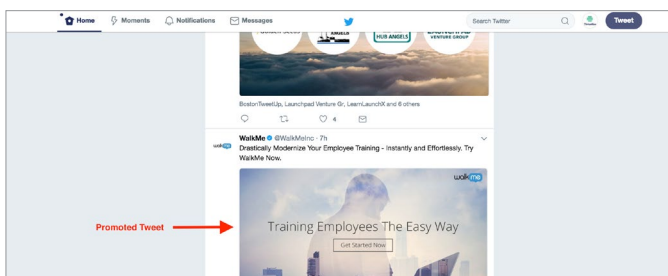
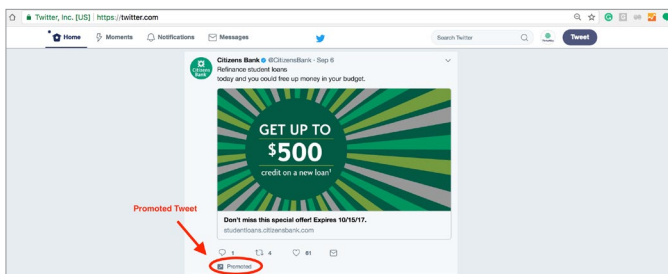
How They Work

Twitter ads come in the form of Promoted Tweets, Promoted Accounts, and Promoted Trends.

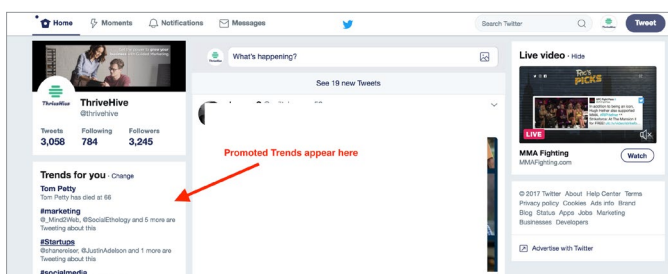
Promoted Tweets

A Promoted Tweet is one that you have already posted, that will show up in again users' feeds and at the top of relevant search results. This a great way to capitalize on your higher performing tweets. You can either target your existing followers, perhaps at a more optimal time and to increase response to a call to action, or you can target a larger audience.

With Promoted Tweets, you'll pay only when a user favorites, retweets, clicks or replies to your promoted Tweet. You do not have the option of paying per impression (the number of feeds it shows up on).



Promoted Trend



Promoted Accounts

While the goal with Promoted Tweets is to get users to engage with or respond to a tweet, the goal with Promoted Accounts is to gain more followers of your account. Use targeting to create an audience that will be interested in your business, and Twitter will suggest your account to them—in the Home Timelines Who to Follow sections, as well as in search results. With Twitter Promoted Accounts, you have a cost per follower (CPF).

Twitter Promoted Trends

Twitter's Trends is a list of popular topics, specific to each user's account, based on their geographic location and the hashtag usage within their network. With Promoted Trends, you pay to get a top spot in relevant users' Trends list. Though it is marked as Promoted, it has the advantage of being in a real-time hotspot for your audience.

Promoted Trends is costly, and therefore typically used by larger businesses.

If you're a master of the pithy and compelling statement, Twitter advertising can be an effective strategy. Just make sure you understand what a follower is truly worth to you. Otherwise, you can easily overspend while acquiring them.

ADVANTAGES & DISADVANTAGES OF SOCIAL MEDIA ADVERTISING

Advantages



Engagement

Social media users log on to their accounts when they want to engage, which puts your business at an automatic advantage.

Branding and Nativity

Social media ads incorporate platform branding elements while also using your logo and allowing you to upload your own designs, which creates the opportunity to stand out without being disruptive.

Options

Social media ads tend to offer a variety of options to users. If they're not ready to click on an ad's call to action, they can still like, comment, or share the ad.

Influence

Success with social media ads can help to draw more visitors and attention to your profile pages and increase your overall influence on a platform.

Targeting

Targeting is one of the general benefits of online advertising, but Facebook targeting (used for both Facebook and Instagram advertising) is worth mentioning again here because it is unmatched.

This is because it doesn't just have demographic data on its users, like:

- Age
- Interest
- Location

Facebook also has psychographic data, such as

- Values
- Personality Type
- Personal Preferences
- Problems

With that data, you can cater your ads even more specifically and resonate with users on an even deeper level.

Disadvantages

Social media is a highly engaging platform for advertising, but it's also fast-paced and highly saturated with content. To run successful ads on these platforms, you need to refresh your content frequently in order to capture users' attention and hold their interest. You should also be creating unpaid (organic) posts simultaneously to get the best results. This can be time-consuming and resource-heavy.

Retargeting Ads

If you've ever had the, "Hey, I was just looking at that!" reaction to an advertisement, you've likely been retargeted.

How They Work

This type of online advertising falls into a category of its own. Retargeting ads can appear on both websites and social media platforms. They are placed in front of users who have already expressed interest in your business, such as by visiting your website, liking your Facebook page, or subscribing to your email list.

Retargeting ads work through a snippet of code you place on your website that tracks visitors once they leave.



Advantages of Retargeting

Retargeting is effective because you can specifically court users who have already shown an interest in your company. Reminding them that they found value in your site in the past is an effective way of encouraging them to re-engage with you.

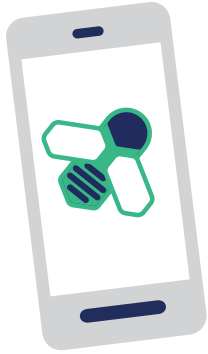


Disadvantages of Retargeting

Users can sometimes feel unsettled by retargeting ads, as if your business is watching over their shoulder. It's important to fully understand your audience before using retargeting ads to ensure you do not lose their trust in you.

With so many organic marketing strategies out there, it's easy to overlook advertising, but investing in your outreach can accelerate your growth and pay dividends for years. You just need to develop an effective advertising campaign with a specific goal in mind.

CHALLENGES WITH ONLINE ADVERTISING



Online advertising has its many benefits, but only if you run your campaigns properly, which requires:

Daily Monitoring

Remember, PPC ads operate in a real-time environment, where your ads are being auctioned off millions of times each day. Running an effective SEM campaign requires you to dedicate time each day to monitoring and adjusting your campaigns.

Education

Some of the online advertising knowledge you need will be acquired along the way, but a good portion of knowledge is required at the start, to know what to do in the first place. Not knowing the rules, jargon, and inner workings of the platform you're using can lower the return on your investment and even cause you to lose money.

Maintenance

Advertising algorithms are always changing, so you must also make sure you're able to stay up to date on changes, trends, and best practices.

Even though online ads can be generating leads in the background while you run your business, they still require a major investment of time.

Hire an Expert

If you are unable to put in the time to learning about and maintaining successful online ad campaigns, you may want to consider hiring an expert who can make the most of your advertising budget.

ThriveHive can build and manage online ad campaigns for you, including search, display, social media, and retargeting ads. We do all the heavy lifting, but we keep you involved by sharing reports with you and making suggestions based on the data.

ThriveHive is also a Google Adwords Premier SMB Partner, so you can rest assured your campaigns will reach their maximum potential.

CONCLUSION

Online advertising offers a wide range of benefits, provided you know where, when, and how to run your campaigns. Whether you're looking to hire an expert or do it yourself, it is essential to get a handle on all of your options to be able to make the right decision for your business.



ThriveHive empowers small to midsize businesses to take charge of their growth. We combine human guidance with user-friendly technology to make marketing easy, effective, and affordable.

Whether you're looking to do it all yourself, have it off your plate entirely, or are somewhere in between, our custom solutions are meant to get you where you need to be. Book a free demo today and see for yourself!

See how ThriveHive can help your business grow!

Request a Demo (It's free!)

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