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## Advertising to online customers

You have many ways to advertise to potential customers. Choose an option that works for your business, and for your existing and potential customers. Here we dig into two popular platforms — Facebook and Google.

Whether you take a do-it-yourself approach or pay for expert help, it's important to plan well and measure your performance.

## Using Facebook ads

Facebook has over two billion active users a month, making it a rich platform for targeted advertising. If you have a Facebook page for your business, or plan to set one up, the benefits include:

- Engage with a user base that spends more time on Facebook than other social media.
- Target customers based on demographics, interests, and behaviours — Facebook gathers this information from people's posts, shares, comments, and likes.
- Generate brand awareness by posting from your business's Facebook page and Instagram account, if you have one.

Facebook ads offer administrative and cost benefits too. They are cheaper than traditional media ads, and need less day-to-day adjustment.

[Facebook for Business Help Centre\(external link\) \(https://www.facebook.com/business/help\)](https://www.facebook.com/business/help) — Facebook

## Facebook's advertising tools

Facebook offers tools to help your ad campaign succeed, eg Business Manager and the Facebook pixel.

### Business Manager

This is where your Facebook ad account and other advertising tools live. Business Manager includes:

- Ad Manager — to specify an objective for your campaign, eg increase sales, brand awareness, boost traffic to your website, or more likes and comments on your Facebook page.
- Ad sets — to choose your audience, budget, schedule, plus whether your ad appears on Facebook, Instagram, or both. Facebook guides you to ad sets after you set up your campaign objective.
- Audiences — to grow your customer base. Find new customers similar to existing customers, or specify demographics, interests, and behaviours. Or encourage users back to your site based on criteria you choose, eg contact info, when they visited, how they interacted.

[Business Manager\(external link\) \(https://business.facebook.com/\)](https://business.facebook.com/) — Facebook

### The Facebook pixel

This is a tracking code that links your Facebook ads to your website, showing what Facebook users do when they visit your website. Set goals based on what you want customers to do, eg click a link or buy a product. The Facebook pixel gives more detail on which ads work and which audiences respond.

[The Facebook pixel\(external link\) \(https://www.facebook.com/business/learn/facebook-ads-pixel\)](https://www.facebook.com/business/learn/facebook-ads-pixel) — Facebook

## Get the most from Facebook ads

Once you confidently create and analyse Facebook ads, it's time to take it to the next level. Options include:

- Invest in audience research — an ad is only effective if it's for the right audience. To research your target audience, enter their interests and profile into the Facebook Audience Insights tool.
- Target a realistic number of people.
- Get as much as possible from your campaign — look beyond your goal. Can you invite visitors to like your page? Engage with those who comment to help them complete purchases? Retarget visitors?
- Make sure your ad creative (the ad's words and images) is effective — make sure it tells your main message well.
- Be patient — wait until you have a good feel for whether your ad is working before you tweak or stop it.

[Facebook Audience Insights\(external link\) \(https://www.facebook.com/business/news/audience-insights\)](https://www.facebook.com/business/news/audience-insights) — Facebook

## Using Google Ads

Google Ads (previously Google AdWords) is one of the most commonly used type of advertising. They let you reach users of the two largest search engines — Google and YouTube.

Other benefits include:

- flexible budget — start with just a few dollars
- pay per click — pay only when someone clicks on your ad
- easy access to stats — find out quickly how your campaign is doing
- specific audience — target an audience based on behaviour you specify
- scalable model — reach a bigger audience when you spend more.

It takes time to learn to use Google Ads. Tread carefully while you're learning, otherwise you could target the wrong audience or too wide an audience.

## Types of Google Ads

Google Ads offer several effective ways to reach your audience.

### 1. Search ads

Search ads appear at the top of Google search results, before the standard search results. This is the quickest way to connect with customers because they're already searching for what you offer. The ads show your contact details and price range, targeting shoppers looking for specific products and services, eg cricket shoes or plumbers.

### 2. Google Display ads

Google Display ads can be text, image, or video banners. They appear when someone browses the internet, uses an app, or watches a video. These ads help you get someone's attention early in the buying process, before they specifically search for options. The ads have a wide reach since the

Google Display Network reaches 90% of internet users.

### 3. Google My Business

Google My Business is a free tool that helps attract customers who use Google Search or Google Maps. Set up a Business Profile in Google that lets you post photos and offers, update your business details, and respond to reviews. You can also set up a free Google Business website. This is quick to do. It's another chance to showcase your business, and it lets you offer customers different ways to contact you, eg messaging or requesting a quote.

You can use Google My Business even if you don't have a physical shop, eg if you're working from home.

[Google My Business\(external link\) \(https://www.google.com/intl/en\\_nz/business/\)](https://www.google.com/intl/en_nz/business/) — Google

### 4. Google Shopping

Google Shopping is Google's dedicated shopping platform. It displays photos of products and gives customers a filter to narrow their search. Here are the search results for running shoes.

Google is very specific about the information it needs. You sync products and images on your website with Google Merchant Centre, where you upload your information. In return, you can promote your ads and find ways to improve your campaign.

[Google Merchant Centre\(external link\) \(https://www.google.com/intl/en\\_us/retail/solutions/merchant-center/\)](https://www.google.com/intl/en_us/retail/solutions/merchant-center/) — Google

### 5. YouTube Ads

YouTube is visual, usually entertaining, and can be educational and inspiring. People across the world watch over a billion hours of YouTube videos a day. That's plenty of chances to engage with potential customers.

[YouTube Ads\(external link\) \(https://www.youtube.com/ads/\)](https://www.youtube.com/ads/) — YouTube

## Next step — maximising your ads

Once you see the benefits of advertising, you'll want to get more out of it. Before you spend more on ads, it's important to think about efficiency. How much are you spending to get a customer now? Divide what you're spending on marketing and sales by the number of customers.

Cost to get a customer = (Marketing+sales)/(Number of customers)

There's no magic amount to spend — it depends on you and your business. You decide by:

1. asking yourself what you think you should spend to get a new customer
2. looking at how much you're earning from each customer now — divide your yearly revenue by the number of customers.

Revenue per customer = (Yearly revenue)/(Number of customers)

Remember you spend to gain customers, not just to gain 'likes' on Facebook. Every new customer means money in the bank. If you think you spend too much, it may help to streamline processes or understand your customers better before you spend more on advertising.

If you are ready to take your online advertising to the next level. For details of advanced options, click to expand.

## Facebook campaigns

When an ad campaign works — and you know why it works — you might be ready to spend more to get similar returns.

Here's how you can scale up:

- Use the Facebook pixel to increase your audience — increase your Lookalike Audience, eg from 1% to 3%. That's the percentage of people you want to target who are similar to your existing customers.
- Sell abroad — make sure you set your language to match the language in your ad and on your website, so only those who speak your language will see your ad.
- Build your funnel — funnel is a marketing term that describes taking customers through several stages, from seeing your ad to buying your product. One way is encouraging people to return after they like your Facebook page or visit your website.
- Increase your budget — use the 'learning phase' in Facebook's Business Manager to estimate how much to spend.
- Develop new ad creatives — consider different slogans or images for different parts of the funnel. Or try adding a discount coupon or running a Facebook competition.

## Google campaigns

A campaign is an advertising goal for one or more groups of ads. For examples, a goal can be more sales or newsletter subscribers. The guideline is one goal, one campaign. And no ads without goals — you need at least one campaign to create an ad.

Google offers 13 types of campaigns. Here are seven options best suited to small businesses.

### 1. Google Shopping (branded)

Branded Google Shopping makes it easy for shoppers to find your products.

- Goal: target people searching for products by using keywords that include your company name.
- Recommended for: businesses selling physical products who have invested in brand awareness and feel comfortable tweaking Google Ads. This can be a great way to get new customers.

### 2. Google Shopping (non-branded)

Non-branded Google Shopping is less targeted because shoppers may or may not be looking for your brand.

- Goal: target people searching the types of products you sell, but not necessarily your brand.
- Recommended for: businesses selling physical products that want to get a lot of new customers or a big revenue boost. It's a good strategy if you have the budget.

### 3. Remarketing

Remarketing campaigns target people who have already visited your site and searched for a product or category of products.

- Goal: target potential customers who previously visited your site, browsed a specific category page, added items to their cart, or made a purchase.
- Recommended for: all businesses.

### 4. Non-branded search (niche)

Niche search campaigns target shoppers looking for something specific. For example, instead of merely looking for a mug, they want a mug with a certain celebrity on it.

- Goal: acquire new customers from niche audiences looking for your niche products.
- Recommended for: businesses with niche products, or who target a niche market within a non-branded product category, eg vegan beer.

### 5. Display ads

Display ad campaigns reach people when they're not searching. The ads appear when they browse the internet, use an app, or watch a video.

- Goal: increase awareness of your product or service.
- Recommended for: businesses targeting specific markets.

## 6. Google Smart Shopping

Google Smart Shopping finds the perfect mix of different campaign strategies for you, using machine learning. Its effectiveness depends on the number of searches for your brand, and your type of products and services.

- Goal: find the perfect mix of campaigns.
- Recommended for: businesses who use Google Shopping campaigns but not retargeting (following people with ads online). Suits a hands-off approach.

## 7. Dynamic search ads

Dynamic search campaigns use keywords on your website to create search campaigns. Keywords could include words from your branding, product descriptions, or blog posts.

- Goal: sales from search keywords.
- Recommended for: businesses who want to understand how search campaigns work, without having to spend much. Helpful while you gather enough data to understand your market segments.

## Overview of Google campaigns

	Cost (\$ low to \$\$\$ high)	Difficulty (• easy to ••• hard)
1. Google Shopping (branded)	\$	••
2. Google Shopping (non-branded)	\$\$	••
3. Remarketing	\$	••
4. Non-branded search	\$\$\$	••
5. Display ads	\$\$	•
6. Google Smart Shopping	\$\$	•
7. Dynamic search ads	\$\$	•

## Paying commission for marketing

Another option — if you have a bigger marketing budget — is to pay someone commission to sell on your behalf. This approach is known as 'affiliate marketing'. If it's the right model for you, it can work well to reach more customers. That's why some Fortune 500 companies use it.

The trick is to select the right platform and affiliates, and differentiate yourself from established affiliate marketing programmes. All this takes time and planning.

Things to consider when setting up an affiliate programme include:

- Pick a platform — think about the tools, reports, and support you need, as well as user-friendliness.
- Decide on the measure — how will you pay commission? Examples include the number of sales, leads, users, or newsletter subscribers.
- Decide how to select affiliate partners — work out your criteria to find partners who suit your audience, brand and values.
- Draw up rules — be clear and fair, eg what promotional methods are acceptable, which products affiliates will sell, and when you pay.
- Develop marketing material — good material is essential, and affiliates often look for it before they sign up.
- Track performance — monitor how well your programme is working, plan ahead, and adjust targets and payments as necessary.

## Self-assessment: Digital marketing

It's useful to assess where you're at with marketing your online business — whether you're just getting started or have been going a while. Use this self-assessment to check your social media planning, engagement building, email marketing and online advertising. See how you rate and where to focus next.

At the end of this assessment you'll get:

- a better idea of your digital marketing strengths and weaknesses
- practical tips
- links to expert advice.

5 - 10 minutes

# Self assessment: Digital marketing



## Social media engagement

### Did you know...

About 3.03 billion people are on social media around the globe, according to BrizFeel (publishers of digital marketing stats).

How much does your business use social media to engage with customers?

- Not at all — we don't use social media for business  A little — we use it but we don't have formal business accounts  Sometimes — we have a Facebook page or something similar  Quite a lot — we use a few different social media platforms  Lots — we use different social

media platforms for specific purposes

Submit

## Social media engagement

### Did you know...

More than 70% of people who experience good customer service on social media recommend that business to others, according to Local Measure (customer experience specialists).

Next

## How much value does your business get from social media?

No value — we don't get much response to our posts  Limited value — we don't know if customers enjoy it  Some value — customers discover us online or enjoy our posts  Good value — it reinforces who we are and creates sales  Great value — we couldn't succeed without it

Submit

## Planning

### Did you know...

3.5 million Kiwis are active on social media and spend an average of 1 hour 53 minutes there every day, according to research by Hootsuite and We Are Social.

Next

## How well does your business plan its social media activity?

We don't plan — and we only post from time to time  We try to post regularly, but we don't always manage it  We post often, but it's hard to plan content across platforms  We post to a schedule and plan relevant topics  We have a clear plan of topics and goals for each platform

Submit

## Email marketing

### Did you know...

Email marketing is the most cost-effective advertising method available today, as well as the most measurable, according to Harvard Business Review.

Next

## How much does your business use email marketing?

We don't use email for marketing at all  A little — we manually email customers when we need to  A fair amount — we email groups of existing or potential customers  Lots — we use an email marketing tool to help us be more effective  Heaps! — we use customer relationship management (CRM) software

Submit

### Email marketing

### Did you know...

It's a very safe bet that email will beat all your other marketing methods in terms of return on investment. — Harvard Business Review

Next

## How much value does your business get from email marketing?

No value — we don't do email marketing, or don't get much response  Not much value — we don't know if it translates into sales  Some value — customers sometimes buy from us because of our emails  Good value — we can track many of our sales back to the emails we send  Great value — we couldn't succeed without it

Submit

### Planning

### Did you know...

According to CoSchedule, a series of US-based studies suggest that:

- the best day to send email is Tuesday, followed by Thursday and then Wednesday
- the best time to send email is 10am, followed by 8pm, 2pm, and 6am.

Next

## How well does your business plan its email marketing activities?

We don't plan — we just react to situations (eg, like surplus stock we need to sell)  We try to plan, but sometimes we go a long time without sending emails  We have a good plan, but we don't always manage to follow it exactly  We plan specific emails for different products or customers  Our email campaigns result in sales and we can predict the effect each will have

Submit

### Paid advertising

## Did you know...

Social media is the most relevant advertising channel for Generation Z and Millennials, according to Adobe's Digital Insights.

Next

## How much paid advertising do you do on social media platforms?

- We don't advertise — we just hope our posts are popular  We advertise by trying to repeat the approach of our popular posts  A fair amount — we promote specific posts to increase their reach  Lots — we place ads or target promoted posts to the relevant audience  Heaps! — our campaigns rely on ads or boosting and targeting posts

Submit

## Paid advertising

## Did you know...

Around 65% of people click on Google ads when looking to buy an item online, according to WordStream (online advertising specialists).

Next

## How much do you use other methods to advertise online (such as displaying advertisements or appearing in search results)?

- We don't buy online advertising — we just hope customers find us  A little — we buy online advertising on relevant websites  A fair amount — display (banner) ads and search advertising such as Google AdWords  Lots — we buy online advertising space that targets our customers  Heaps! — we advertise online to attract customers and convert leads to sales

Submit

## Tell us about your business

Just one last step before your self-assessment results. So we can shape future tools and services around your needs, please tell us about your business size, location, age and industry.

Where is your business based?

Which of these best describes your industry?

How many employees do you have?

How old is your business?

Show my results

## References to specific businesses

At times business.govt.nz refers to specific businesses to make our resources more effective and easier to understand. We do this on the advice of our independent expert partners, including the New Zealand Business Performance Panel. However, we do not endorse any third-party private-sector businesses.

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