5 WAYS TO TEST & OPTIMIZE YOUR BUSINESS MODEL WITH GOOGLE ADS

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6 YRS FOUNDER, PROMETHEUS PPC
4TH YEAR CO-HOSTING THE STARTUP CODE @ MIT
AGENDA

What is Google Ads?

Why use Google Ads for your startup?

5 Ways to Test & Optimize with Google Ads
  - Prospect targeting, messaging and sales flow

Best Google Ads first steps for startups

Google Ads tools and resources
WHAT IS GOOGLE ADS?
Global online advertising platform

Promote your business and brand
Drive website traffic
Sell your products and services

Precise targeting, tracking & analytics

Pay for ad clicks

WHAT IS GOOGLE ADS?
GOOGLE SEARCH RESULTS PAGE ADS

Shopping Ads

Text Ads
Various Display Ad placements
WHAT IS GOOGLE ADS:
ANY QUESTIONS SO FAR?
WHY USE GOOGLE ADS FOR YOUR STARTUP?
## WHY USE GOOGLE ADS FOR YOUR STARTUP?

**Compared to…**

<table>
<thead>
<tr>
<th>Traditional Media  (print, TV, radio)</th>
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© PROMETHEUS PPC
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Compared to...

Traditional Media (print, TV, radio)
Advantages of Google Ads:
• Precise targeting
• Behavior tracking
• Reach 1M+ sites & apps

SEO (Search Engine Opt.)
Advantages of Google Ads:
• Precise targeting
• Quick testing/results
• Reach 1M+ sites & apps

Facebook Ads
Advantages of Google Ads:
• Reach hot prospects searching for your product or service now
• Reach 1M+ sites & apps
WHY USE GOOGLE ADS FOR YOUR STARTUP?

Google Ads Capabilities

- **Build Brand**
  - Display & Video campaigns

- **Drive Leads & Sales**
  - Search, Shopping & Remarketing campaigns

- **Test & Optimize Business Model**
  - Limited Search campaigns

Startup Phase

- Vision & Mission
- MVP (Minimum Viable Product)
- Product / Market Fit
- Scale
WHY USE GOOGLE ADS FOR YOUR STARTUP?

Today’s Focus

Test & Optimize Business Model

Limited Search campaigns
5 WAYS TO TEST & OPTIMIZE YOUR BUSINESS MODEL WITH GOOGLE ADS

#1: Learn Your Online Prospect Volume
#2: Learn What Prospects Actually Search For
#3: Learn Which Marketing Messages Engage
#4: Learn Which Business Offers Resonate
#5: Learn How to Stand Out from Competitors
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#1: LEARN YOUR ONLINE PROSPECT VOLUME

KEY QUESTION:
Is your target market large enough?
TEST & OPTIMIZE YOUR BUSINESS MODEL: #1: LEARN YOUR ONLINE PROSPECT VOLUME

KEY QUESTION: Is your target market large enough?

“Almost every failed startup has a product. What failed startups don’t have are enough customers.”

- Gabriel Weinberg, author of “Traction: How Any Startup Can Achieve Explosive Customer Growth”
**Test & Optimize Your Business Model:**

**#1: Learn Your Online Prospect Volume**

**Tool: Google Ads Keyword Planner**

Large market: 90k avg searches/month for “robot vacuum”, with big holiday spike

<table>
<thead>
<tr>
<th>Keyword (by relevance)</th>
<th>Avg. monthly searches</th>
<th>Competition</th>
<th>Competition (indexed value)</th>
<th>Top of page bid (low range)</th>
<th>Top of page bid (high range)</th>
</tr>
</thead>
<tbody>
<tr>
<td>robot vacuum</td>
<td>90,000</td>
<td>High</td>
<td>100</td>
<td>$0.76</td>
<td>$10.00</td>
</tr>
<tr>
<td>roomba</td>
<td>246,000</td>
<td>High</td>
<td>99</td>
<td>$0.87</td>
<td>$2.54</td>
</tr>
<tr>
<td>irobot</td>
<td>110,000</td>
<td>High</td>
<td>96</td>
<td>$0.95</td>
<td>$2.58</td>
</tr>
<tr>
<td>irobot roomba</td>
<td>74,000</td>
<td>High</td>
<td>100</td>
<td>$0.93</td>
<td>$2.61</td>
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<tr>
<td>robot vacuum cleaner</td>
<td>22,200</td>
<td>High</td>
<td>100</td>
<td>$0.66</td>
<td>$10.00</td>
</tr>
<tr>
<td>best robot vacuum</td>
<td>49,500</td>
<td>High</td>
<td>100</td>
<td>$0.20</td>
<td>$1.21</td>
</tr>
<tr>
<td>roomba vacuum</td>
<td>22,200</td>
<td>High</td>
<td>100</td>
<td>$0.92</td>
<td>$3.17</td>
</tr>
<tr>
<td>robot hoover</td>
<td>170</td>
<td>High</td>
<td>99</td>
<td>$0.50</td>
<td>$2.42</td>
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<tr>
<td>i robot vacuum</td>
<td>12,100</td>
<td>High</td>
<td>100</td>
<td>$1.08</td>
<td>$4.23</td>
</tr>
<tr>
<td>i robot roomba</td>
<td>1,600</td>
<td>High</td>
<td>76</td>
<td>$0.88</td>
<td>$4.23</td>
</tr>
<tr>
<td>automatic vacuum</td>
<td>5,400</td>
<td>High</td>
<td>100</td>
<td>$0.56</td>
<td>$10.00</td>
</tr>
<tr>
<td>robot cleaner</td>
<td>8,100</td>
<td>High</td>
<td>100</td>
<td>$0.51</td>
<td>$9.36</td>
</tr>
<tr>
<td>automatic vacuum cleaner</td>
<td>3,600</td>
<td>High</td>
<td>100</td>
<td>$0.53</td>
<td>$6.32</td>
</tr>
<tr>
<td>roomba 650</td>
<td>6,600</td>
<td>High</td>
<td>100</td>
<td>$0.74</td>
<td>$2.05</td>
</tr>
<tr>
<td>roomba 980</td>
<td>33,100</td>
<td>High</td>
<td>100</td>
<td>$0.62</td>
<td>$2.82</td>
</tr>
</tbody>
</table>
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#1: LEARN YOUR ONLINE PROSPECT VOLUME

Example Product Idea
A much smaller (MIT optimized!) robot vacuum.

Oops!
Problem: online market also much smaller!
(~0.3% of the full robot vacuum market)
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#1: LEARN YOUR ONLINE PROSPECT VOLUME

If market too small for business model, then what?

A) Build a market ➔ Expensive
B) Find a big partner ➔ Give up control
C) Re-work your business plan
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#2: LEARN WHAT PROSPECTS ACTUALLY SEARCH FOR

KEY QUESTION:
Are you speaking to prospects in their language?
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#2: LEARN WHAT PROSPECTS ACTUALLY SEARCH FOR

KEY QUESTION:
Are you speaking to prospects in their language?

“Good marketing makes the company look smart. Great marketing makes the customer feel smart.”

- Joe Chernov, former VP of Marketing at HubSpot
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#2: LEARN WHAT PROSPECTS ACTUALLY SEARCH FOR

Example Product Plan
Name: The iMicroVac
Messaging: “The micro robot vacuum for tight spaces”

Oops!
No one searches for “micro” robot vacuum!
TEST & OPTIMIZE YOUR BUSINESS MODEL: #2: LEARN WHAT PROSPECTS ACTUALLY SEARCH FOR

Example Product Plan

Name: HyperPV Panels

Messaging: “Lightweight photovoltaic panels with 80% greater energy efficiency”

Oops!
If you want to reach the layman, call them “solar panels” (180x more traffic!)
TEST & OPTIMIZE YOUR BUSINESS MODEL: #2: LEARN WHAT PROSPECTS ACTUALLY SEARCH FOR

If your product language doesn’t match your target customers’ search language, then what?

Only one good solution: Change YOUR language
TEST & OPTIMIZE YOUR BUSINESS MODEL: 
#3: LEARN WHICH MARKETING MESSAGES ENGAGE

KEY QUESTION:
Which advertising messages will deliver the greatest number of good prospects?
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#3: LEARN WHICH MARKETING MESSAGES ENGAGE

KEY QUESTION:
Which advertising messages will deliver the greatest number of good prospects?

“Nobody reads ads. People read what interests them. Sometimes, it’s an ad.”

- Howard Gossage, real-life “Mad Men” inspiration
Write 2-3 ad variants to run within each ad group

Change high-impact ad elements first

Test the most meaningful content

Measure the results

Headlines
Images (for Display ads)

Offers
Calls to Action
Competitive differentiators
Facts vs. emotions

How to test ad messaging effectively in Google Ads:
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#3: LEARN WHICH MARKETING MESSAGES ENGAGE

<table>
<thead>
<tr>
<th>TEST: Positive emotion</th>
<th>TEST: Feature</th>
</tr>
</thead>
</table>
| **Official iRobot® Roomba - iRobot.com**  
Ad  www.irobot.com/roomba  
Leave Cleaning To Your Roomba And Start Enjoying Your Home. Buy Here! | **Official iRobot® Store | Shop Now For Free Shipping | iRobot.com**  
Ad  store.irobot.com/store  
Get Free Shipping When You Purchase Any Robot On The Official iRobot Site! |

<table>
<thead>
<tr>
<th>TEST: Discount, urgency</th>
<th>TEST: Market Segment</th>
</tr>
</thead>
</table>
| **Official iRobot® Store - 10% Off Limited Time Offer - irobot.com**  
Ad  store.irobot.com/store  
For A Limited Time Save Up To $80 When You Purchase Select Robot Bundles. | **Roomba Vacuum Cleaner | iRobot® Official Store | iRobot.com**  
Ad  store.irobot.com/  
### Test & Optimize Your Business Model:

**#3: Learn Which Marketing Messages Engage**

Learn which ads generate the highest Click-Thru Rate and therefore the most website visitors.

#### Tool: Google Ads

<table>
<thead>
<tr>
<th>Ad</th>
<th>Status</th>
<th>Ad Type</th>
<th>Clicks</th>
<th>Impr.</th>
<th>CTR</th>
<th>Avg. CPC</th>
<th>Cost</th>
<th>Conversions</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Pure Moringa</td>
<td>Oxidation Proof Packaging</td>
<td>Approved</td>
<td>Expanded text ad</td>
<td>282</td>
<td>12,733</td>
<td>2.21%</td>
<td>$0.99</td>
<td>$278.82</td>
</tr>
<tr>
<td>100% Pure Moringa</td>
<td>The Premium Choice</td>
<td>Approved</td>
<td>Expanded text ad</td>
<td>364</td>
<td>14,970</td>
<td>2.43%</td>
<td>$0.97</td>
<td>$351.86</td>
</tr>
</tbody>
</table>
TEST & OPTIMIZE YOUR BUSINESS MODEL: #3: LEARN WHICH MARKETING MESSAGES ENGAGE

What to do if your website isn’t ready yet?

Offer a “Fake Sale”!

Hello! You caught us before we’re ready.

We’re working hard to put the finishing touches on “X”. Things are going well, and it should be ready to help you with “Y” very soon. If you’d like us to send you a reminder when it’s ready, please enter your email below.

Your Email  Let Me Know

And please accept the special gift below as a “thank you”!
If your initial messaging idea doesn’t engage well, then what?

A) Switch to better messaging (use what you just learned)
B) Change the product/service
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#4: LEARN WHICH BUSINESS OFFERS RESONATE

KEY QUESTION:
Which landing page offers produce the most “conversions”?
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#4: LEARN WHICH BUSINESS OFFERS RESONATE

KEY QUESTION:
Which landing page offers produce the most “conversions”?

“It’s much easier to double your business by doubling your conversion rate than doubling your traffic.”

- Bryan Eisenberg, NY Times bestselling author, Customer Experience Pioneer
TEST & OPTIMIZE YOUR BUSINESS MODEL: #4: LEARN WHICH BUSINESS OFFERS RESONATE

Tools: LeadPages, Unbounce, WordPress...

What will your ideal prospects actually DO on your site?

Create Landing Page Split Tests

61%

39%
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#4: LEARN WHICH BUSINESS OFFERS RESONATE

Tools: LeadPages, Unbounce, WordPress…

What will your ideal prospects actually DO on your site?

For Bottom of Sales Funnel Prospects:

- Buy Now
- Call Today to Speak with an Expert
- Click Here to Pre-Order
- Get a Custom Quote
- Request an Account Review

61% 29%
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#4: LEARN WHICH BUSINESS OFFERS RESONATE

Tools: LeadPages, Unbounce, WordPress...

What will your ideal prospects actually DO on your site?

For Top of Sales Funnel Prospects:

- Watch Step-by-Step Video
- Try Our Free Calculator
- Download Our White Paper
- Subscribe to Our Blog / Channel
- Get Notified of Our Launch

61%
79%
TEST & OPTIMIZE YOUR BUSINESS MODEL: #4: LEARN WHICH BUSINESS OFFERS RESONATE

How to test website conversion paths:

- Publish 2-3 web page variants to run in each ad group
- Change high-impact page elements together
  - Banner area (top of page)
  - Images
  - Trust builders
  - Calls to Action
- Test the most meaningful offers
  - Sale
  - Opt-in
  - Consult...
- Measure the results
**TEST & OPTIMIZE YOUR BUSINESS MODEL: #4: LEARN WHICH BUSINESS OFFERS RESONATE**

**Tools:** Adalysis, Google Ads, A/B testing calculators

Wait for statistical significance!

<table>
<thead>
<tr>
<th>Offer</th>
<th>CTR</th>
<th>Conv. rate</th>
<th>Conv. / Impr.</th>
<th>Cost / Conv.</th>
<th>Conv. Value / Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2.19%</td>
<td>1.71%</td>
<td>0.03751%</td>
<td>$54.50</td>
<td>0.92</td>
</tr>
<tr>
<td>B</td>
<td>1.44%</td>
<td>3.77%</td>
<td>0.05441%</td>
<td>$30.47</td>
<td>1.67</td>
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TEST & OPTIMIZE YOUR BUSINESS MODEL:
#4: LEARN WHICH BUSINESS OFFERS RESONATE

What if you don’t yet have anything to offer?

Offer a “Fake Sale”!

IMPORTANT:
DON'T disappoint your visitors
DO get their contact info!

Hello! You caught us before we’re ready.

We’re working hard to put the finishing touches on “X”. Things are going well, and it should be ready to help you with “Y” very soon. If you’d like us to send you a reminder when it’s ready, please enter your email below.

And please accept the special gift below as a “thank you”!
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#4: LEARN WHICH BUSINESS OFFERS RESONATE

If your initial offers don’t convert enough visitors, then what?

A) Switch to better offers (use what you just learned)
B) Change the product/service
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#5: LEARN HOW TO STAND OUT FROM COMPETITORS

KEY QUESTION:
How can you best differentiate your business in a crowded market?
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#5: LEARN HOW TO STAND OUT FROM COMPETITORS

KEY QUESTION:
How can you best differentiate your business in a crowded market?

“Move fast. Speed is one of your main advantages over large competitors.”

- Sam Altman, President of Y Combinator and Co-Chairman of OpenAI
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#5: LEARN HOW TO STAND OUT FROM COMPETITORS

Step 1:
Find out who your online competition really is

Tool: Google Ads Auction Insights Report
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#5: LEARN HOW TO STAND OUT FROM COMPETITORS

Step 2a:
Find out what they’re offering

Tool: SEMRush

Great competitive research data for both SEO and PPC
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#5: LEARN HOW TO STAND OUT FROM COMPETITORS

Step 2b:
Find out what they’re offering

Tool: Google Ads Ad Preview & Diagnosis Tool

Better than regular Google search – can specify location, device, language and audience
TEST & OPTIMIZE YOUR BUSINESS MODEL:
#5: LEARN HOW TO STAND OUT FROM COMPETITORS

If your offer sounds just like your competitor’s, then what?

Focus on one meaningful differentiating feature / benefit / audience
- Your offer can be identical in every way but one!
- Better to speak directly to one niche than to speak generally to everyone
BEST GOOGLE ADS
1ST STEPS FOR STARTUPS
BEST GOOGLE ADS 1ST STEPS FOR STARTUPS

- Sign up for a Google Ads account ($100 free credit)
- Create quick landing page, Launch initial Search campaigns

#1 Learn your online prospect volume
#2 Learn what prospects actually search for
#3 Learn which marketing messages engage
#4 Learn which business offers resonate
#5 Learn how to stand out from competitors
BEST GOOGLE ADS 1ST STEPS FOR STARTUPS

Put your best foot forward, then test variations
One best offer + one best audience + one best landing page + one best Google Ads campaign

Allow sufficient investment for meaningful conclusions
Nominally: 1-3 months and $500-$2,000 / month depending on scope
www.prometheusppc.com/mit-2019

Find links to tools & resources, and download presentations (available tomorrow)

Watch presentations again on video (coming soon)

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