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Why Pay Per Click (PPC) ads should be avoided in network marketing

Three reasons to avoid PPC and how to effectively use it if you choose.

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1466 words | 5 pages

In my article from the July issue I mentioned the 5 lies the experts tell you. One of these lies is that all you have to do to go out and build a big network marketing business is buy some pay per click advertising. Today I'll go into more detail about why this is a bad idea for your business.

In case you don't know what Pay Per Click is, let me take a step back and cover the basics. Go to Google and search for the name of your company. Here you'll see the usual Google listings. At the top there may be a small box in sort of a peach or off white color that has one to three search results in it. Guess what? These are not real results -- those are paid advertisements. Also, do you see the search results on the right hand side of the page? Those are all paid advertisements as well.

These are called Pay Per Click advertisements. Google is one of several sites that offer them. Yahoo and MSN offer pay per click advertisements as well. There are dozens of smaller sites like 7search and Kanoodle that are entirely Pay Per Click oriented.

Pay Per Click or PPC is basically an auction system.

You bid on how much you are willing to pay for one person to click on your ad. The person who bids the most is the one at the top of the page. The person who bids the second highest amount is next on the page, and so on.

Now we have the first reason why PPC shouldn't be used in network marketing. The fact that it is an auction system means that the prices for keywords for your company are going to be driven up dramatically by other distributors in your company.

It's going to be hard to be listed at #1 because there are constantly going to be people driving up the price. In fact, when you begin to build a downline, some of your own team members could be bidding against you. You'll be hurting one another because you'll be driving the price up so high. If all you had to pay was 10 cents per click it might be worth it. You could get 1,000 clicks for $100 and even the worst web site would hopefully convert some of those into genuine leads for your business. The problem is that many of you would have to pay 1 dollar or more per click just to get your site listed in the top! That price will only get worse as more people join your company and start competing on ads!

So, one reason you should avoid PPC is because the price will become higher and higher.

Another reason is that pay per click has a steep learning curve.

The problem is that while you are learning to use pay per click ads properly you are wasting money. You can quickly spend $500 or $1000 without getting any results. There is a lot of fraud in the PPC industry, and while you're figuring out the right keywords and strategies to use you are spending money. Odds are you won't be sticking with PPC if you spend $1000 without any sign ups.

A third reason you should avoid

using PPC is that companies like Google limit the number of times a particular web site can appear in the search results. What does that mean?

It means that if you use your company's self replicated web site as opposed to an original and unique web site, Google may not list your site. What Google will see is 10 or 20 people all using their company's self replicated web site and trying to buy Adwords. (*Adwords is Google's name for their PPC ads.*) To Google, those sites all look the same. Even if it has your name and your photo on it, 95% of the web site is the same thing. Google is smart enough to know those web sites are all self-replicated and thinks that makes their web site look cheesy. Imagine that you are searching for something on Google and every other link you click takes you to the same web site. You'd get frustrated with Google pretty quickly and would go search on Yahoo or MSN instead. So Google limits the number of times any particular web site can appear in the search results. To truly use Google's PPC you'll want to be promoting a unique web site.

Therefore, I would suggest not using PPC because this is a duplicable business.

Anyone you sponsor is going to try and do what you do. They're going to copy you (and sometimes they should). Even if you learn how to do PPC properly your new team members will have a hard time duplicating you. As I mentioned earlier, if they do duplicate you, you will each be driving up each other's price per bid. If you succeed in doing PPC and teaching your team to do it, then you'll hurt yourself more by driving up the price per keyword!

Now let's say you insist on using PPC with Google, Yahoo, or MSN. Here are some ideas for you.

Set up your Pay Per Click campaign as a co-op. Set up a page that rotates leads among people on your team. This is REALLY simple to do and you could probably hire someone on http://www.RentACoder.com to do it for 50 dollars or less. Have everyone who wants to participate chip in a little bit to cover the cost of the PPC campaign. Let everyone on your team know that instead of competing against one another in PPC ads you will all work together to dominate the search engines. That way you work together as a team.

You will also want to set up an original lead capture site since you can't use your company's self replicated web sites. This might only be a one page site meant to capture names and email addresses. This is called a "squeeze page". The idea is that you would offer them a free report or series of emails to convince them to opt-in to your marketing. One reason it is important in PPC is because you paid for the user to click on your site, so you'll want to capture their information in order to keep in touch with them. Most people take 3-6 exposures to your business/product before they purchase. You don't want to have to pay for them to click on your site 3-6 times! By capturing their email, phone, or mailing address you can keep in touch with them without paying for more clicks. Perhaps in a future issue I can cover this topic in more detail as it is a very important one to learn and master.

The first money you invest in PPC should be in education and learning the right way to do it. That way you can minimize your learning curve. If you invest your first $100 in learning more about PPC it will pay off in the long run. For Google Adwords you should investigate Perry Marshall. Perry is probably the #1 Google Adwords expert. He offers some e-books and personal training on Google's Adwords PPC program. His advice can help you find keywords that aren't being bid on as much. He can help you avoid some of the fraud. In general, the investment you spend in training from Perry will quickly be earned back by not wasting money on ineffective ads.

Hopefully you will heed my advice and not pursue Pay Per Click advertising. It will save you hundreds or thousands of dollars. If you do PPC, remember to set it up in such a way that you and your team are not competing against one another. Set it up so that you can work together and you'll pay less per click as a result.

I hope you've learned a lot today. I know this was a pretty long article! Guess what? I've got a lot more to talk to you about next issue!

Benjamin Fitts is a little bit of a geek. He got started on the internet in 1993 and has owned several internet businesses including his own internet service provider. In 2001 Ben launched his network marketing career and began to apply his internet marketing skills to building his MLM business. Ben is the Chief Technical Office of Marketing ICE (Internactive Creative Education), author of *Instant Buzz Mastery*, and the developer of *Statements for Success* – goal setting software.