



SNELL BROTHERS WEB DEVELOPMENT

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U.S. House of Representatives Committee on Small Business Subcommittee on Regulations, Health Care and Trade

“The Impact of Online Advertising on Small Firms.”

Wednesday, June 25, 2008 -- 10:00 a.m., Room 1539, Longworth House Office Building.

ORAL PRESENTATION (5 minutes)

Rob Snell,

co-owner Gun Dog Supply,

Managing Partner, Snell Brothers

Author, “Starting a Yahoo! Business For Dummies.” (Wiley Publishing, 2006)

ROB SNELL: Good morning. Thank you for asking me to appear on this panel. I’m here today to talk about how search engine marketing has transformed my family’s business, my clients’ businesses, and to show how other small businesses can take advantage of this effective and affordable way to drive visitors to their Web sites.

My name is Rob Snell. I’m from Starkville, Mississippi. These days I wear quite a few hats. I am a co-owner of [Gun Dog Supply](#), our family retail business that sells supplies for hunting dogs. I’m also the managing partner of [Snell Brothers](#), the consulting company my brother, [Steve Snell](#), and I started that helps Yahoo! Store owners with their online marketing. A couple of years ago I wrote a book on [Yahoo! Store: “Starting a Yahoo! Business For Dummies.”](#) I’ve included information from a few of the marketing chapters at the end of my written testimony for your review.

Today, I’m going to share real numbers with you, so you can see the impact of search marketing on a real small business in dollars and cents. Every year our Yahoo! Stores get millions of visitors from the search engines. Tens of thousands of those visitors convert into paying customers. This year we will sell over \$10 million dollars though several different [Yahoo! Stores](#).

The Internet levels the playing field for small business folks like us. As a [consultant](#) and [speaker](#), my job is to teach the little guys how to compete with the big guys. We use the Internet to leverage the strengths of small business: unparalleled product knowledge, enthusiasm for what we sell and do, and outstanding customer service and support. Bigger retailers cannot compete when we go head to head, product to product. They sell too many things!



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Background

My parents, [Warner & Anne Snell](#), started **GUN DOG SUPPLY**, back in 1972 on their kitchen table in Jackson, MS. They ran tiny display ads in hunting dog magazines and went full time with the business in late 1970s. Slowly, the business changed to a retail store with less emphasis on mail order sales.

In 1996, [Petsmart](#) opened across the street. 50% of our competitors went out of business overnight. Our sales dropped, too. We dusted off our mailing list and put together a new catalog. Unfortunately, our list was stale, and we lost money on every single catalog sent.

In 1997, I built a 5-page Web site. I wrote a killer [Yahoo! directory](#) listing, and we started getting tons of visitors from Yahoo! We had to figure out how to sell online and fast. Fortunately, we found the online store builder which is now [Yahoo! Store](#).

For my family, selling on the Internet has literally changed our world. We went from a retail company doing \$400,000 a year and struggling to pay the bills to a multi-million dollar retailer in a few short years.

Search Marketing = Free Search + Paid Search

Search marketing is the one-two punch of free search and paid search together. By performing search engine optimization on your Web site, you rank better and get more free traffic. Buying paid search ads insures you control your advertising message, and you're not at the mercy of shifting search engine ranking algorithms.

Almost 40 percent of the traffic from the Big Four search engines (Google, Yahoo!, MSN/Live, and Ask) comes from paid search ads. I believe you should buy paid search ads when you already rank well for your keyword terms in the free search results. Why? When do you normally get *two* chances to make an advertising impression with a prospect who is ready to buy? It's like buying an ad in the newspaper that runs right next to your feature story. You can't control what they write about you in the paper, but the ad is all yours!

Using all the content from our print catalog for our [online catalog](#) was the secret to our initial success with the search engines. Those 50 pages of text covering hundreds of products would help us sell our [dog training collars](#), [Garmin Astro GPS](#), [Tri-tronics collars](#) and [retriever dummies](#).

Originally, half of our traffic came from banner advertising and half was free traffic from search engines. My Yahoo! Store stats would tell me not only *where* the traffic came from, but *what* keywords folks were searching for. This information was gold!



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For example, someone would buy a [leather dog collar](#) and the source of the order would show the sale coming from a search on [Yahoo](#) for “[leather dog collars](#).” Another order would come in with a search for “[retriever training supplies](#)” and they would buy some training dummies, and/or a book or video on training retrievers.

I caught on pretty quick that keywords were important. People were buying the things they were searching for, so I started to obsess over our keywords and their search engine rankings.

By 2003, the search engines started selling text ads based on keyword searches. The free ride was over. I opened an account with [Google Adwords](#) and started buying ads on different keywords. I also had a Goto.com account which later became Overture and is now [Yahoo! Search Marketing](#).

Paid search is good, too! With an online store, a small retailer can instantly have access to millions of potential customers. With as little as a \$5 deposit in a [Google Adwords](#) account, a small business owner can buy targeted advertising and get instant traffic to his Web site.

Retailers can run national ad campaigns targeted only to folks searching for what they sell. You can buy ads but only for keyword searches relevant to your product mix.

Local retailers can also target their ads to run only in the specific markets they serve.

Selling on the Internet via an online catalog is much cheaper than sending catalogs through the mail. Advertising on the Internet is more cost effective than any other medium we’ve tried.

Search marketing is extremely efficient because you are ONLY marketing to those interested in your products. It is the least obtrusive form of advertising as the customer is literally asking for your ads when they perform a search. No other marketing method can touch search engine marketing for targeting the right prospects in the right places at the right time – when folks are ready to buy.

Thank you for the opportunity to appear before this committee. I look forward to answering any questions you may have.

-- **Rob Snell,**

co-owner Gun Dog Supply,

Managing Partner, Snell Brothers, and

Author, “Starting a Yahoo! Business For Dummies.” (Wiley Publishing, 2006)



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Free Search & Paid Search Resources

Yahoo! Search Marketing's Resource:

<http://searchmarketing.yahoo.com/rc/srch/?mkt=us>

Google AdWords Learning Center at

<http://www.google.com/adwords/learningcenter>.

Starting a Yahoo! Business For Dummies. By Rob Snell (Wiley Publishing, 2006)

Google AdWords: (2008 Edition), by Andrew Goodman (Page-Zero).

Matt Cutts is a senior engineer at Google in charge of search quality. Read his unofficial, but extremely relevant search blog at <http://www.mattcutts.com/blog>

Brett Tabke's WebmasterWorld.com

Aaron Wall's SEOBook.com

Danny Sullivan's SearchEngineLand.com



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From “Starting a Yahoo! Business For Dummies.” (Wiley, 2006) Chapter 17: Driving Traffic That Converts

Search engine optimization (SEO) is the art and science of making changes to your Web site to rank better for relevant keywords in the search engine results pages (SERPs). Most effective SEO is done in two ways: by implementing the current best practices and by testing new methods, tracking your results, and then keeping what improves your rankings.

The two basic building blocks of search engine optimization are text and links.

Text refers to the words on the page — visible text you can see and a search engine spider can read. If you can see it on your screen and highlight text with your mouse and cut and paste it in a text editor like Notepad, then it’s visible text.

A *link* is a hyperlink pointing to the page from other pages on your site or from other sites. I go into a lot more detail about SEO in Chapter 19, but here’s what you need to know:

- **Text:** You want to have keyword-rich text on each of your pages using your most relevant keywords in well-written product descriptions and other useful content such as product reviews, articles, FAQs, and more. These keywords also appear in various HTML elements in places like your title tag, meta keywords and description tags, inside header tags, body text, and links on your site.
- **Links:** You also need links pointing to each page. The links can come from your site (internal links from your other pages or navigational text links), or the links can come from other people’s Web sites linking to you. Good examples of other folks linking to you are directory listings, resource pages, reciprocal link exchanges with similar sites, suppliers and manufacturers linking to their retailers, product review sites, and even people linking to you from their blogs.



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From “Starting a Yahoo! Business For Dummies.” (Wiley, 2006) **Chapter 18: Buying Your Way to the Top**

The instantaneous gratification of pay-per-click ads can be tempting. Here’s how paying to get listed in the top results beats hoping to be listed in the free results:

- **With paid search, you’re totally in control.** You choose the keywords, write the ads, and pick which pages get promoted. With SEO, the search engines (and sometimes the spammers) are in control of the rankings.
- **With paid search, your ads appear almost immediately.** You don’t have to wait weeks or months for your site to appear in paid-search ads like you do in the free search results.
- **With paid search, you’re not at the mercy of search-engine spiders and ranking algorithms to determine the most relevant page.** Just get out your wallet and buy your way to the top, because (like in the real world) the highest bidder gets the best real estate.
- **With paid search, you choose what keyword phrases you rank well for by how much you’re willing to pay.** Free search-engine rankings for keywords sometimes seem almost random, even though you optimize for your best words. For example, my #1 referring keyword phrase from Google on my dog-supply site is *Dog Boots*, but we sell only two kinds of dog boots and have around 1,500 other kinds of products. Go figure.
- **With paid search, you can test keyword phrases that you don’t rank well for in the free results.** That way, you can see whether you want to optimize for those words, too. Sometimes very competitive or expensive keywords don’t convert like you think they should.
- **With paid search, you also write the ads so that you determine what users see.** You choose the link text (title) and the little snippet of text (description) that appear on the search results pages. With the free listings, you have little or no control over what the search engines display.
- **With paid search, you also choose what pages folks land on for each keyword.** Instead of hoping that your best landing pages rank for your best



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keywords, you get to pick where folks go on your Web store. You can also change your landing pages as often as you want to maximize their effectiveness. When your pages rank really well for your best keywords in the free search results, you're almost afraid to touch the pages.

Unfortunately, paid search has a dark side as well:

- **Paid-search advertising is expensive and consumes a lot of time.** Babysitting your ad campaigns takes a lot of time and mental energy. If you don't closely monitor your campaigns, a good campaign can go down the tubes fast.
- **Customers trust the free, natural, organic results.** Free results are seen as independent and more authoritative than ads. More sophisticated surfers seem to avoid clicking ads.
- **Competitors can be foolish and bid insane amounts, thus temporarily making your search-ad campaign ineffective or unprofitable.** Competitors can also click your ads. Click fraud can be costly and frustrating.
- **More retailers lose money than make money on pay-per-click ad campaigns (in my experience).** This loss is probably due more to egobidding, mismanagement, or neglect than from evil-doers.
- **Keywords just keep getting more and more expensive!** The average cost per click just keeps going up. Two or three years ago, most traffic was free. You can still get thousands of people per day to your Web site at no cost-per-click with good old-fashioned SEO. There's nothing like free traffic from search engines. Develop some good unique content, get a ton of links, and that's pretty much it.



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Rob Snell is Managing Partner of Snell Brothers, a consulting firm specializing in search marketing for Yahoo! Stores and a co-owner of Gun Dog Supply. Rob has extensive Yahoo! Store experience with both family-owned stores and consulting clients. The Snell Brothers have designed, developed, marketed and/or maintained hundreds of Yahoo Stores that have generated millions and millions of dollars in online sales.

Rob has a B.A. in Graphic Design from Mississippi State University and is the author of [*Starting a Yahoo! Business For Dummies*](#) (Wiley Computer Publishing).

Rob Snell loves e-commerce and all things Yahoo! Store. He is totally obsessed with search marketing and increasing his stores' conversion rates. He is a small business owner, online retailer, search marketing / e-commerce consultant, and Yahoo! Store developer. He's been online since 1990 and opened his first online store in 1997 when his brother stumbled across Viaweb (now Yahoo! Store).

Rob now consults with Yahoo! Store retailers on improving their e-commerce sites and maximizing their search-marketing campaigns and is a guest speaker and lecturer on search marketing and e-commerce for small business. He posts somewhat regularly in his Yahoo! Store blog at ystore.blogs.com, and guest posts from time to time in the Yahoo! Store Blog at ystoreblog.com.