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theguardian
digital edition

How to turn your clicks to cash

Google's AdSense can help anyone with an online presence generate extra income by providing them with content-relevant ads. All you need, says Nick Clayton, is a bit of traffic

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Friday September 29, 2006

Guardian

For the last few weeks I've been trying to find the catch in what sounds as if it's yet another dodgy internet get-rich-quick scheme. I'm now coming to the conclusion that there isn't a trick, although "rich" for most people should be seen in pocket money terms rather than moving them into Lotto-winner territory.

The scheme is Google's AdSense which, since its launch three years ago, has revolutionised online advertising. In principle its concept is simple, extending the technology that Google uses to provide relevant answers for search queries to supplying relevant advertising to fit the context of a webpage.

Advertisers pay Google every time somebody clicks on one of their ads, a system known as "pay-per-click", or PPC. The owner of the page receives a proportion of the fee. Google's revenue from the scheme last year was \$2.7bn. Little surprise, then, that Microsoft and Yahoo have schemes of their own. In fact it was really pioneered by Overture, which is now owned by Yahoo. Google, however, is the company that's really brought contextual advertising to the masses.

The scheme is popular with advertisers because they can monitor the minutiae of a campaign. They know exactly which ad a customer clicked on, what the ad looked like, what the wording was, where it was displayed, how much it cost and how much the customer spent. No longer is 90% of advertising expenditure wasted on people who'll never buy the product.

Most of these facilities have been available for years, but only on large, commercial websites. Google's big breakthrough is democratising the service. Anybody can go through the simple registration process, followed by pasting a simple piece of code into a website or blog. There's no charge and, therefore, no risk.

The way AdSense has spread across the web like a rash appeals to advertisers because it gives them access to highly-focused audiences. A niche blog can attract people who are fanatically interested in the product and the advertiser only needs to pay when a visitor is sufficiently interested to click on a link.

I first became attracted to AdSense a few weeks ago when I was commissioned by this newspaper and the publisher A&C Black to write a book on living and working abroad. Given that when it's completed this is supposed to be a manual with much of the research carried out online, it seemed logical to organise it around a website. I already owned the site www.adeskinthesun.com, the title of my column which appears elsewhere in this section, and I thought it would be nice to cover the small amount it costs to run.

Although I make my living mostly as a business and technology writer, that doesn't mean I'm a web designer - and I'm certainly not a salesman. Neither of these limitations prevents me using AdSense, although design has a massive impact on the effectiveness of the adverts.

Mark Edwards, online manager of specialist online newsletter publisher Electric Word, told me how optimising several websites had increased the income from advertising by a huge magnitude. He's reluctant to publicise exact figures, partly to deter imitators and also because Google has fairly draconian rules for AdSense participants.

"One of our sites is Sports Injury Bulletin," says Edwards. "It's fairly technical as it's aimed at professional therapists. It also has a high ranking on Google because it's been around for a while and includes a lot of original content."

"We were worried at first that putting ads on the site might reduce the number of paid subscriptions. It hasn't. What seems to have happened instead is that the sort of people who injure themselves playing Sunday morning football discover the site through Google and find it's too technical for them. They click on the ads instead."

Clicks that pay well

So visitors who would otherwise have gone elsewhere are now providing income. "It also helps us that many of the ads that appear on our site are for injury compensation lawyers and those clicks pay rather well," says Edwards.

With AdSense not all clicks are created equally. Advertisers bid for AdWords, which may also be phrases, according to a secret and complex system involving levels of competition, product value and placement. The cost of individual AdWords is never made public, but it's well known that many of the most expensive involve US lawyers and financial services.

Top of the list, according to theproguys.com, is \$69.16 for "school loan consolidation". Student loans are big business across the pond. More obscurely, "abdominal mesothelioma" is always high up (it's a rare form of asbestos-linked cancer, popular with American occupational compensation attorneys).

Armed with a list of these words, you might think the way to instant riches was to build a website featuring as many as possible. Sadly, you wouldn't be alone. Plenty of people have the same idea.

It is, however, worth knowing the cost of buying AdWords because there's a profit to be made if you can use cheaper ones to bring the sort of people to your site who'll click on its more expensive ads. Dan Winchester, for instance, runs a number of sites, including www.houseprices.co.uk, which provides searchable access to the Land Registry's list of property transactions in England and Wales. He reckons he spends about £3,000 a month promoting the site, £200 on hosting and £800 on fees to the Land Registry. Set against this, his income from AdSense last month was just over \$10,000 - or around £5,400 - not a huge profit, but worth having.

Making money from AdSense, however, requires patience. It takes months before even the best-designed, most useful website appears in the rankings of Google and other search engines. When people start coming to a site it's unlikely that more than 3-4% of them will actually click on the ads.

Improving click-through rate (CTR) can easily become an obsession because Google offers such detailed reports on numbers of visitors and how many click on the ads. There's much debate about the most effective methods of improving the percentage CTR, but there's general agreement that ads that blend in with the site and are displayed high up are most likely to be clicked on.

This should be easy. Google provides AdSense subscribers with a fairly wide variety of shapes and sizes for ad blocks. There's even greater flexibility in colour schemes. However, those of us who are not web designers by trade and would prefer to use off-the-peg templates for blogging can find the compromise between content and advertising hard to make.

Most blogs, for instance, have a wide space for text and pictures with a narrow column down the side for navigation, links and so on. AdSense really works better across three columns, an option that isn't always available from hosts.

Worrying about design structure is, however, somewhat secondary. I know how excited I got when I found I'd earned \$2.65 in a day, but that still falls short of even my limited financial targets. What's missing is traffic.

For me that should come with time. The most successful websites and blogs, in AdSense terms, are specialist and with plenty of regularly updated, original text content.

Meanwhile I'll keep signing into my AdSense account, hoping that the daily number of page impressions will move into triple figures and the number of clicks will increase too so that my page CTR will register a decent percentage. Maybe then my dollar income will cover the cost of hosting my website.

Blogging: A nice little 30-year earner

The idea of making money from a blog is particularly appealing to journalists, as former Lancashire Evening

Telegraph reporter Craig McGinty explains: "When I write an article for a website it could be around for 20 or 30 years earning me money from advertising." That's rather different from the usually disposable nature of a journalist's work and income.

Blogging is also something that can be done anywhere. McGinty started thisfrenchlife.com in the Dordogne, although he's currently back in Manchester helping with a site he sold. He reckons he now earns a little less than he would on a newspaper, but his disposable income is greater because he no longer has the cost of commuting.

"One of the most effective types of article is the simple 'how to' guide, especially if you can provide some good inside information," he says. "I wrote an article on when the best times are to get tickets on the Eurostar, and it's a consistently good earner as people click to buy after they've read it."

Generally, he says, the most important thing for anybody wanting to try and make a living from online self-publishing is to try out lots of different ideas and see which ones work. The only major cost is time.

Guardian Unlimited ; Guardian Newspapers Limited 2006