



Advertising Types:

The Pros, Cons, and Costs of Advertising

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Social Media Ads

Cost

Social media advertising is not a one-size-fits-all pricing model. How much you spend for someone to click on your ad – and ultimately become a customer – is dependent on multiple factors, including your targeted audience size, your industry, and the ad design.

While it varies widely, some general benchmark data does exist. Generally speaking, companies can expect to [spend a median:](#)

- CPC of \$0.51 / CPM of \$9.06 on Facebook.
- CPC of \$1.28 / CPM of \$6.70 on Instagram.
- CPC of \$0.53 and CPM of \$5.76 on Twitter.
- CPC of \$5.61 and CPM of \$6.05 on LinkedIn.

Pros

- **Audience Diversity:** No matter who your prospects are, there's a good chance they're on social media.
- **Editable Messaging:** Find one ad isn't performing well after a couple of days? No sweat. Make adjustments to ad copy and targeting immediately to improve performance.
- **Varying Content Types:** With social, you can advertise using GIFs, images, and video for a more engaging experience.

Cons

- **Not Everyone is on Every Platform:** Social media sites have a diverse set of users, which means your ads might not be equally successful on each channel. For example, young college students might not be on LinkedIn yet, and new retirees may not be on Twitter.
- **Constant Check-ins:** Because you see data on the success of your social ads in real time, it takes more frequent monitoring than other ad types to ensure you're producing the greatest ROI.



Google & Search Ads

Cost

Search ads depend largely on your location and your industry, but on average, the cost [varies between \\$1 and \\$2 per click on Google](#), though some ads can go well over \$50 per click if the competition is steep enough.

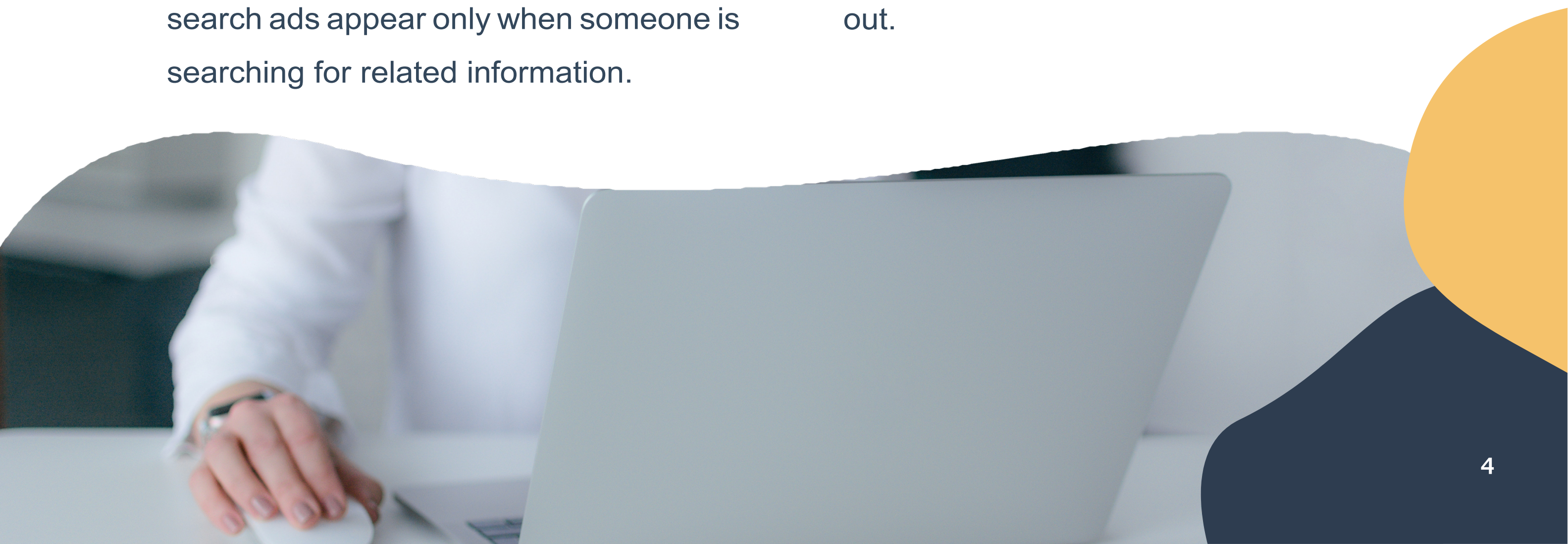
Google Ads are placed according to both a bid by the advertiser and the quality of the ad. Therefore, the better your ad, the less likely you'll have to pay more to outbid competitors.

Pros

- **Ads Are Super Targeted.** Online search ads appear when people search for a term that pertains directly to your business.
- **Easily Control Your Ads.** With search ads, you can raise and lower your budget, turn certain ads on and off, and adjust what keywords you're bidding for, giving you real-time control over your advertising.
- **A Huge Audience.** There are more than [60,000 searches on Google every second](#).
- **Ads Are Less Intrusive.** While some ads come across as disrupting a positive experience, like a TV show or an article, search ads appear only when someone is searching for related information.

Cons

- **It's Competitive.** Everyone's on Google looking for solutions, and every competitor wants to be that solution. To rank well, you'll have to devote ample resources into developing and maintaining amazing ads, and invest the funds to keep your #1 spot.
- **You're Not the Only Ad.** On YouTube or some social media sites, someone's screen might only have enough room for one ad. Search on Google for something you want to buy, and you might see four ads in a row – making it harder to stand out.



Video Ads

Cost

If you have an in-house video team, you can skip right over this section, as you've already paid for what you need. If not, be prepared to either hire an employee and invest in production equipment, or pay an agency for their filming and editing services. Either way, you could be looking at thousands – if not tens of thousands – of dollars on getting your video idea off the ground with a respectable production value.

Distribution is another story entirely. Airing a TV commercial can range from \$100 during the day to \$2,000 in the evening, with airtime during events like the Super Bowl costing millions. You can also distribute digitally, like on YouTube, for about 10 - 30 cents per view.

Pros

- **Video Has Never Been More Popular.** 5 billion videos are watched on YouTube every day, so exposing your company to that audience could be a real money maker.
- **Show Your Product in Action.** Unlike text- or image-based ads, video ads can include a demonstration, proof of concept, or customer testimonial about your product or service, so people can see the real value you offer.
- **Make Your Brand Modern.** Companies are investing in video in droves, since video and the Internet have become synonymous. Failing to advertise with video can suggest you're not as current as your competitors, depending on your industry.

Cons

- **Video Ads Can Be Skipped.** As they are often viewed as intrusive, viewers will try to fast forward through TV ads or skip an online video ad if it's an option.
- **It Can Be Expensive.** Video done right is one of the more expensive advertising methods, given the cost of professional equipment and some distribution channels. However, you can learn how to get started with video in your business quickly and cost-effectively here.
- **Videos Need to Be Passable.** Video production can be tough if you're new to it, and poor videos aren't tolerated in today's world. A bad video ad could give you a negative image in the eyes of potential customers.



Print (Newspaper & Magazine) Ads

Cost

Print ads, like all ads, vary based on a variety of factors. In this case, the publication, its reach, its frequency of circulation, and the size and placement of the ad all contribute to the final number your business ends up paying.

On average, you can expect to spend 15-30 cents per person reached in newspapers, according to numbers gathered by Fitsmallbusiness. Magazines, like newspapers, cater to both niche and nationwide audiences and vary in the frequency of their publication. As such, Entrepreneur notes costs range from \$500 to \$20,000 per ad.

Pros

- **You'll Reach a Homogeneous Audience.** Whether all of your readers love sports or are all located in the greater Ann Arbor area, the publication's readers have something in common. If that something pertains to your business, print ads could be a wise investment.
- **It's Great for Local Businesses.** Printed newspapers and local magazines still have a place in towns and communities. If your business is constricted by its region, print ads are a cost-effective way to get mass exposure in your area.

Cons

- **Paper Circulation is Down.** While people still read the news and articles, it's not always online. Currently, there are fewer paper daily newspapers distributed than there were in the 1940s.
- **Ads Can Be Overlooked.** Your ads might be flipped over, or not even seen at all if readers are looking for a specific section.
- **There's Inconsistent Exposure.** Some circulations publish quarterly. Others publish daily. If you're promoting a deal or product that is time-sensitive, the inconsistent publication of these outlets could be a point of friction.



Direct Mail Ads

Cost

Mailing list costs range anywhere from \$50 to \$350 for a 1,000 contact mailing list. On top of this, you'll need to front the bill for postage, design, and printing costs, and the better quality mail you want to send, the more these bills will stack up. However, you get what you pay for, so investment in a top-notch designer and fine materials will help your mail stand out more than it would if it were a stock photo on cheap paper.

The formula for direct mail ads is:

$$((\text{Materials} + \text{Postage Cost}) \times \text{Recipients}) + \text{List Cost} + \text{Design Cost})$$

Pros

- **Mail is Actionable.** Whether people pay attention to it or decide to throw it out, they at the very least need to look at it and cannot simply scroll past it.
- **There's Room for Detail.** Online ads need to be concise and don't always convey the full value of what you're offering. Mail can offer more information about a specific event, deal, or product you're promoting.
- **You Can Hyper Target.** There's plenty of customization available for direct mail. Lists can be acquired for many different demographics, like location or family size.

Cons

- **Design Costs.** Every time you do a unique direct mail campaign, you may want to make a new design. This could cost hundreds or even thousands of dollars just for the custom design, not to mention printing and ink costs.
- **Mail is Antiquated.** While nearly 6 in 10 Americans enjoy receiving mail about new products, direct mail is still seen as the casualty of email's disruption. Years of junk mail and a movement to a digital world can hinder the success of direct mail campaigns when not run well.



Transit (Billboard & Bus/Subway) Ads

Cost

Billboard ads can also vary greatly. According to Fitsmallbusiness, billboard rentals can run anywhere between \$550 and \$13,000 per month, depending on the city. At their highest rates, they cost anywhere from \$1 to \$20 per one thousand adults in the area (CPM). For production costs, expect to pay 50 cents per square foot.

Transit ads cost \$500 - \$4,000 per month, according to Entrepreneur. Don't forget to factor in production costs here, as well.

Pros

- **They're Huge!** Billboards are tough to ignore. It's hard for them to completely escape eyes and peak interest. Transit ads are smaller, but still get the point across.
- **Repetition is Key.** Commuters and travelers who take the same road or get off on a certain stop will keep seeing your ad for as long as you have it up there.
- **Great for Local.** Local businesses reinforce their proximity to the road and ease of access. For transit, ads work best for places that are near the train or the bus to again reinforce the idea of locality.



Cons

- **Exposure is Quick.** While someone may get stuck in traffic, some may drive right past your ad or catch it in the corner of their eye as they're transferring to another train in the station. This makes it tough to digest or retain the messaging on your ad.
- **They're Not Very Targeted.** It's tough to target by age, sex, interests, or income levels on transit ads. For companies that have a niche audience, the net will be cast wide, but there's no guarantee you'll get the catch you're looking for.
- **They're Not Extremely Actionable.** Unlike online ads, which have direct links to product pages, transit ads usually have a phone number or a website. For commuters on the move, remembering and taking that next step isn't as easy as pressing a button on their phone.



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