

Analysis of Impact of Louisiana Lawyer Advertising Rules on Pay Per Click & Internet Marketing



Prepared for:

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Background

I run an Internet incubator and consultancy firm that works with small businesses and startups. We work with them on marketing and launch strategies for their businesses. One of the most cost effective strategies that is generally part of our marketing plans is a search engine marketing strategy to advertise through pay per click (PPC) advertising on Google, Yahoo, MSN and other search engines.

I have extensive background in running PPC campaigns over the last seven years. I launched and managed campaigns for small business clients as well as running PPC campaigns for my own websites that reached a \$40,000 per month spend with Google Adwords.

There are several advantages to marketing on the Internet that level the playing field for new entrants into a market:

- Marketing budgets can start small (as little as \$10/month) and grow as a business grows
- Marketing management is self-serve and automated so it can easily be managed by a small business
- These tools (Google Adwords) are designed to be iterative and allow a marketing campaign to be optimized over time
- A small business advertisement can appear right next to a established, larger competitor

Creating a Pay Per Click Campaign in Google

For the purposes of this report, I will confine my analysis to Google Adwords, however other PPC tools for other search engines are very similar.

- PPC advertisements are the ads that appear on the side of the page in search engine results¹
- Each PPC Ad has a Title, Ad Text 1 & 2, Display URL & Destination URL (site where it actually leads)²

When we submit an ad to Google on behalf of a client, we take the following steps:

1. Identify the keywords that you want the ad to be displayed for when a searcher types those into Google. This can be tens of thousands of keywords, but is generally organized into campaigns and groups.

¹ Exhibit A

² Exhibit B

2. Write the ad copy. These are character-limited areas that Google provides to write a clear marketing message for your business. Ads are written to be triggered by specific keywords, so there may be hundreds of different ads, each with different ad copy.
3. Enter the URL of your site, both the display and landing page URL.
4. Set the ad budget for this ad, generally starting at \$.10 per click and a budget of \$25.00 per month.

Once a campaign is running, there is an extensive amount of optimization that must be performed in order to get the ad displaying in the appropriate place on Google and to ensure that the ad budget matches the value the ad is providing to the advertiser. This means that the advertiser must make sure that the business they are generating from the ad is greater than the cost of running the ad. This can be tracked through Google and optimized.

Frequent iterative changing of the ad copy, keywords and budget is required to optimize the performance of the ad to obtain the desired result.

Incompatibility of Louisiana Lawyer Advertising and Solicitation Rules with PPC Advertising

Based on a review of rule 7 of the Louisiana lawyer advertising rules, review of the filing forms, review of the Louisiana state bar association website and discussion with counsel, I have found the lawyer advertising rules to be incompatible with the standard PPC advertising methodology on all major search engines. Compliance to the rule would make it very difficult for a lawyer to run ads on the major search engines (I will use the example of Google).

There are three primary challenges to a lawyers ability to use Google Adwords effectively that I see with this regulation:

1. The requirement of prior approval of advertising copy negate the iterative self serve benefits of Google Adwords. Generally, advertisers frequently update copy to test and refine what language is most effective.
2. The filing fee of \$175 for approval to run an ad negates the simple and cost-effective nature of getting an ad campaign started for \$25 that may or may not be effective. If this applies to each change in the ad copy it works against the iterative method of refining and optimizing an ad that Adwords is built on.
3. The requirement to include the name and address of the firm in the ad is incompatible with the number of characters that Adwords allows in each ad unit and would likely leave no space for marketing copy.

Google Regulates and Manages Truth in Advertising in Adwords

Google has created a system of safeguards to manage truth in advertising in Google Adwords for all advertisers. These safeguards are in place to help Google limit deceptive advertising by all advertisers. Here are some of them:

- All Google Maps advertisers are mailed a card to verify business address and/or receive a phone call to verify phone number.
- Adwords ad copy does not allow superlatives such as “best” or “top”
- Display URL must be the same as the URL that the ad lands on
- Ads with misspellings are rejected
- Ads that are receiving clicks (and therefore valuable to Google users) eventually are no longer shown.

Summary

We use Google Adwords and other PPC advertising as a primary marketing tool for small business getting started. It is a cost effective way to begin advertising and levels the playing field for new entrants.

The requirements of Rule 7.7 appear to be incompatible with the self-serve, iterative nature of search engine advertising on the Internet, and are unnecessary because Google already regulates advertisers in various ways to protect the consumer. Rule 7.7 appears to restrict lawyers from advertising on Google in Louisiana in the same way that we encourage most of our clients to advertise.

Exhibit A. – Location of PPC Ads on Google

The screenshot shows a Google search for "new orleans travel". The search bar is at the top left, and the search results are displayed below. The results are categorized into "Local business results for travel near New Orleans, LA" and "Sponsored Links".

Local business results for travel near New Orleans, LA

- A La Quinta Inn & Suites New Orleans Downtown - www.lq.com - (800) 531-5900 - 72 reviews
- B Quality Inn & Suites Maison St. Charles New Orleans - www.qualityinn.com - (504) 522-0187 - 152 reviews
- C Carlson-Wagonlit Travel-New Orleans - www.carlsonwagonlit.com - (504) 522-7777 - 4 reviews
- D Chateau Sonesta Hotel New Orleans - www.sonesta.com - (504) 586-0800 - 148 reviews
- E Comfort Inn & Suites Downtown New Orleans - www.comfortinn.com - (504) 524-1140 - 56 reviews
- F The Ritz-Carlton, New Orleans - www.ritzcarlton.com - (504) 524-1331 - 219 reviews
- G Inn on Bourbon Hotel - www.innombourbon.com - (504) 524-7611 - 185 reviews
- H Royal Sonesta Hotel New Orleans - www.sonesta.com - (800) 766-3782 - 221 reviews
- I Quality Inn & Suites New Orleans - www.qualityinn.com - (504) 525-6800 - 101 reviews
- J Country Inn & Suites by Carlson-New Orleans - www.countryinns.com - (504) 324-5400 - 210 reviews

Sponsored Links

- New Orleans Travel**
www.Booking.com - 579 French Quarter - Save 50% Off Plus Hotels From \$49. Book It.
- New Orleans Travel**
www.NewOrleansOnline.com/Travel - Travel To New Orleans Today. Get More Info Here. Official Site.
- Dawn and Don Travel**
Your Attorney For Any Claim On-Line Booking Website www.LocalAdLink.com
- New Orleans Travel**
The Official Delta Site has special deals and everyday low fares! www.Delta.com Louisiana
- New Orleans Travel Deals**
Book Your Travel with Confidence. Travelocity Guarantees Low Prices. www.Travelocity.com
- New Orleans Travel**
Get Our Best Price Guarantee on All Travel to New Orleans at Expedia. www.Expedia.com
- French Quarter Condos**
Enjoy New Orleans through our top resort ownership & vacation rentals www.frenchquartercondos.com
- NewOrleansHotels.com**
Comprehensive local guide to help plan your travel to New Orleans! www.neworleanshotels.com
- New Orleans Travel**
ORBITZ: Great Deals to New Orleans & More. Book a Package Now & Save! www.ORBITZ.com
- New Orleans Deals**
Fresh, Handpicked Travel Deals From Travel Ticker. Deals Posted Hourly! www.Travel-Ticker.com

The page also includes a map of New Orleans, a "Searches related to: new orleans travel" section, and a footer with navigation links and a search bar.

Exhibit B. – Google Adwords PPC Ad

<p><u>New Orleans Travel Deals</u></p> <p>Book Your Travel with Confidence.</p> <p>Travelocity Guarantees Low Prices.</p> <p>www.Travelocity.com</p>	<p>← Title - 25 characters</p> <p>← Ad Text 1 - 35 characters</p> <p>← Ad Text 2 - 35 characters</p> <p>← Display URL - 35 characters</p>
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Exhibit C. – Chris Schultz Curriculum Vitae

Christopher Burr Schultz

EXPERIENCE

Voodoo Ventures, LLC

New Orleans, LA

Founder and President

2003-Present

- Created incubator for the agile development of seed stage Internet companies.
- Founded Flatsourcing.com, a joint venture with Russian team for outsourced software development for internal projects and clients.
- Incubated Huckabuck.com, a search engine, from conception to sale in one year.
- Author of popular blog covering entrepreneurship in New Orleans.
- Consult frequently with local, national and international startup businesses on marketing strategy, internet marketing, and software architecture
- Launched search engine marketing and optimization campaigns for clients
- Managed pay-per-click campaign with budget of \$40,000 per month for Voodoo Ventures

Destination VIP, Inc.

Las Vegas, NV

Founder and President

2001-2004

- Founded destination management company with services in Las Vegas, Miami, New Orleans, and Iceland.
- Bootstrapped business to \$600,000 in annual sales and 15 employees in 3 years.
- Negotiated successful acquisition by VegasHotSpots, LLC, a venture-backed competitor in March, 2004.

Environmental Golf, Inc.

Calabasas, CA

Business Development Manager

1999-2001

- Directed business development nationwide for acquisitions of golf course management contracts. Led West Coast business development for golf course maintenance contracts.
- Responsible for generating contract sales in excess of \$40 million in first full year.

Rain Bird Sales, Inc.

Azusa, CA

Golf Sales Manager

1996-1999

- Responsible for over eight million dollars of sales in 1998 in Rain Bird's largest sales territory worldwide.
- Hired as Application Engineer and promoted to Sales Manager after one year in position.

EDUCATION

University of Southern California, Marshall School of Business

Los Angeles, CA

Master of Business Administration - Entrepreneurship Concentration

May 2002

- Semester at ESADE in Barcelona, Spain – Fall, 2001

University of Virginia

Charlottesville, VA

Bachelor of Science - Mechanical Engineering

May 1996

CONFERENCE PRESENTATIONS & PUBLICATIONS

- Panel Moderator at SXSW - March 16, 2009 – Outsourcing 2.0 – Is the World Flat or Not
- Speaker at Feast Conference – February 6, 2009 – The Beauty of Bootstrapping
- Speaker at WordCamp Las Vegas – January 10, 2009 – Voodoo Ventures Presentation
- Founder and organizer of Startup School – November, 2008, January 2009
- Organizer of New Orleans BarCamp – April, 2008
- Speaker at Miami BarCamp, February, 2008 – Search engine marketing
- Extensive publishing on entrepreneurship and internet marketing on blog at www.voodooventures.com
- Published startup resource guide at wiki.voodooventures.com

ADDITIONAL INFORMATION

- Member of Entrepreneurs Organization Accelerator Program since 2006.
- Founding member of Net2NO, a New Orleans internet association
- New Orleans Innovator of the Year award recipient in 2006 for Huckabuck and 2007 for siteMighty.
- *Languages:* Proficient in spoken and written Spanish.
- *International Experience:* Born in Nigeria. Raised in Kenya. Traveled extensively to Europe, Central America, South America, Africa, and Middle East.
- *Activities:* Completed Los Angeles Marathon. Triathlons, golf, running, surfing, music, travel.

TESTIMONY FOR FEDERAL COURT

- No prior testimony