



# UNDERSTANDING THE ROI IN SEO

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# SUMMARY

This White Paper examines a four-month integrated, global SEO program for a Material Lift manufacturer in North America.

The program relied on extensive keyword research for the industry in general and a subset of key strategic competitors, identifying the actual keywords and phrases that were driving valuable organic traffic to them and their competitors.

Through that optimization, content creation, and an integrated SEM program based on the same set of strategic keywords, the client was able to achieve between 3X and 9X ROI depending on which metric to prioritize.

ROI

4-Month Investment	Monthly Competitive Organic \$Value	Annual Organic Search \$Value Gap Reduction	Annual Non-Branded Organic Search \$Value
12,000	+\$36K	\$114K	+\$57K
ROI Factor	3X	9.5X	4.75X

# MEASUREMENTS FOR SUCCESS

SEO, to some, is a mystery. Mostly because we digital marketers use a lot of acronyms in a way that have you convinced we are just trying to confuse you. This isn't true (not completely, at least). Because of the confusion, it is important to define some terms and the metrics we will be referring to throughout this White Paper.

## ORGANIC SEARCH \$VALUE

This one actually sounds LESS complicated than it actually is. We measure this in dollar value so you can easily calculate the ROI related to your SEO spend. Overall traffic, in terms of users and sessions, is something you can easily get from your Google Analytics. That number is important, Google will even tell you how many of those users came to your site via a search query. This is referred to as **Organic Search Traffic**.

**Organic Search \$Value** combines that with another very valuable metric – the value of the keyword or phrase entered in the search box – which led to that traffic arriving at your site. By associating those two, we get a dollar value of that resulting organic traffic. In other words, if you're running, say, a business selling automobile insurance, the organic traffic that came to your site by searching the phrase "get auto insurance quote" is considered more valuable than someone searching on the phrase "filing a claim." One is a potential new customer, and the other most likely isn't.

Google knows how much those terms are worth, because they run the free market that allows would-be advertisers to bid on those terms for the SEM programs.

Let's create a real world example. Let's say your competitor is achieving a monthly Organic Search \$Value of \$10,000, and you are only getting \$1,000. Then, you would have to spend \$9,000 in SEM to get the same traffic from those keywords and phrases. And of course, even if you did spend that kind of money, those ad clicks probably wouldn't be as valuable as their organic traffic -- but that's a topic for another White Paper.

The difference between what they're getting and what you're getting is the gap we want to close. You can look at that gap from a monthly perspective, or as an annual perspective. What's the difference? Well, typically a continual SEO program will have more expenses in the first few months but will continue to reap benefits throughout an entire year.

## NON-BRANDED ORGANIC TRAFFIC

This one is pretty easy. Some searchers use their search engine like a phone book. They don't exactly remember the web address of the company they want to go to, so they google it. Some people (actually, a lot of people) would rather search for "Coca-Cola" and then click a result rather than type in cocacola.com. The reason for this probably has something to do with the various suffixes of .net and .com, etc. It might also be related to vanity addresses like justdoit.com instead of nike.com. The key point to be made here is that people who search by company name may have already decided from which company they want to buy.

When you start looking at keywords and keyphrases that actually drive traffic to a site, a lot of it is what we call **Branded Keywords**. Using the Nike example above, search queries of "nike," "nike shoes," "air jordans" and "nike running shoes" would all be considered branded. Whereas queries such as "running shoes" and "crossfit shoes" or "golf balls" would be considered **Non-Branded**.

Now, a good amount of branded traffic is a sign you have done a good job building your brand. People already know who you are. Or, you already have a very large customer base that has to go to your site from time to time. However, too much when compared to your non-branded, means your site isn't really optimized to compete for new customers who haven't yet chosen from which company they will purchase.

The goal here is to find the healthy balance, which is usually determined by thorough analysis of your key competitors.

# THE BASELINE

The results we will be analyzing are related to a National/International manufacturer of material lifts. They rely heavily on their website to drive their lead process. Their website is designed to accept “requests for quotes” on almost every page. They are in a highly competitive industry and the average value of a new customer is at or above \$40K.

They primarily drive web traffic through a robust SEM and Google Display program.

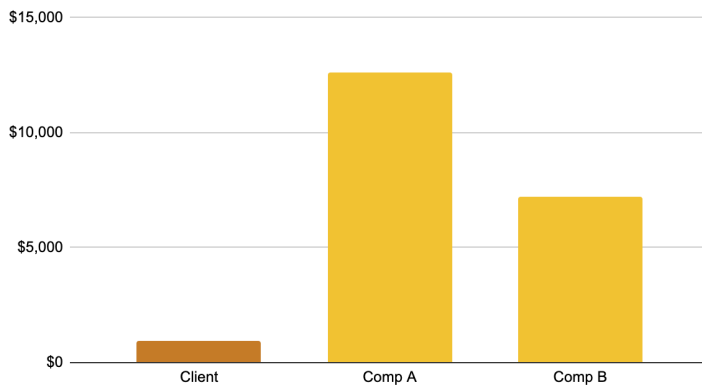
When we first began an integrated, national SEO program for them, the two most strategic competitors were getting much better Organic Traffic Value.

**Client:** \$900 per month

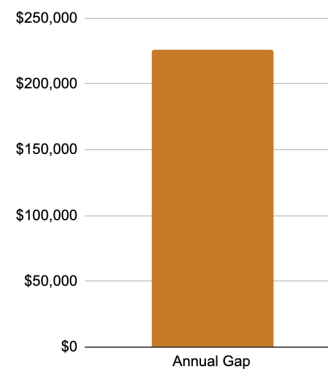
**Competitor A:** \$12,600 per month

**Competitor B:** \$7,200 per month

Monthly Organic Traffic \$Value



Annual Organic Traffic \$Value Gap



That's a pretty big delta to close. Their monthly gap with their competitor group is almost \$19K per month, or \$226.12K on an annual basis. Again, they would have to spend \$226K in SEM to get that traffic their competitors were currently getting for free.

**Goal #1:** So that's our number one, overarching goal: close that gap. Not to remove the SEM program, there's still a place for that. (In fact, the two really work hand in hand, as we'll explain later).

We also noticed that they were flipped from their competitors. They were getting non-branded traffic at about 2-to-1 vs. branded, while our company was getting about 2-to-1 branded over non-branded. And, this wasn't because their brand was really strong. It was just that they weren't competing for the non-branded keywords that were driving organic traffic to their competitors.

**Goal #2:** Change the mix to be more competitive for non-branded organic traffic.

# STRATEGY AND TACTICS

We are not going to discuss with too much specificity all of the tactics we employed, but we will discuss overall strategy and some key tactical moves.

## STEP 1

It is important to determine which keywords and phrases are actually important. Here's what you never do, because it never works: ask the client which keywords they believe are important. The reason why this never works is because they really don't know. The worst part is, they think they absolutely do.

This isn't to say that you don't listen to your client. You do. Intently. Because among the disinformation is some key items that you might miss. But the reality is that they are actually too knowledgeable about the industry they work in to put themselves in the mindset of the average searcher. They know what they call their products, they know how they refer to them, and they know how the public should refer to them.

Instead, go and run a report in a tool that shows you the actual keywords that are driving traffic to their site, and more importantly, the keywords and phrases drifting traffic to their competitors' sites.

Now, if you thought this was going to be a lot of fun, you were wrong. The most effective way to analyze is in good, old-fashioned, spreadsheets. You want to compare all of the competitors and figure out how you are going to attack. If you see Competitor A is getting 2.5% of their traffic from a phrase like "cable lifts vs chain lifts" you want to eat away at that 2.5% of their traffic.

Another metric to keep in mind is average weekly searches on a given keyword or phrase. Typically, there are going to be over a thousand of these words and phrases so it is time consuming and sometimes hard to get your client to believe it is worth the effort. After all, they have told you what words are important.

You are going to analyze all of the data and put together a list of words and phrases that we refer to as our **"strategic keywords."**

That list is important. In fact, you should put a sign on your wall that asks you, "does this align with strategic keywords?"

## STEP 2

Look at the website and determine the pages that will be your “**hero pages.**” These are the pages that you want to be the entry points, or the pages that best align with different strategic keywords. You want as little overlap as possible, as you optimize these pages to those keywords.

You want to associate each of these pages to a specific, high performing page on your competitor site. This is where gaps will materialize as to needed content and topics. This will drive your content creation worklist.

If budget allows, you want to also target each of these hero pages, using the strategic keywords you’ve assigned to each, to run an **SEM program** that jumpstarts some traffic getting to these pages, using those keywords.

What you are doing is focusing on what’s important, and building a spider web of connection of pages, keywords and traffic.

## STEP 3

Content. Content. Content.

Yeah, I could write a lot here. But I think you get it. You need to add content to the site. And, remember that sign? Make sure you align with strategic keywords, and integrate onto those hero pages you are targeting.



# RESULTS

Now, this isn't to say there aren't other things that you are simultaneously working on, there are. But before you get to those things, you should already see some substantial movement in your numbers.

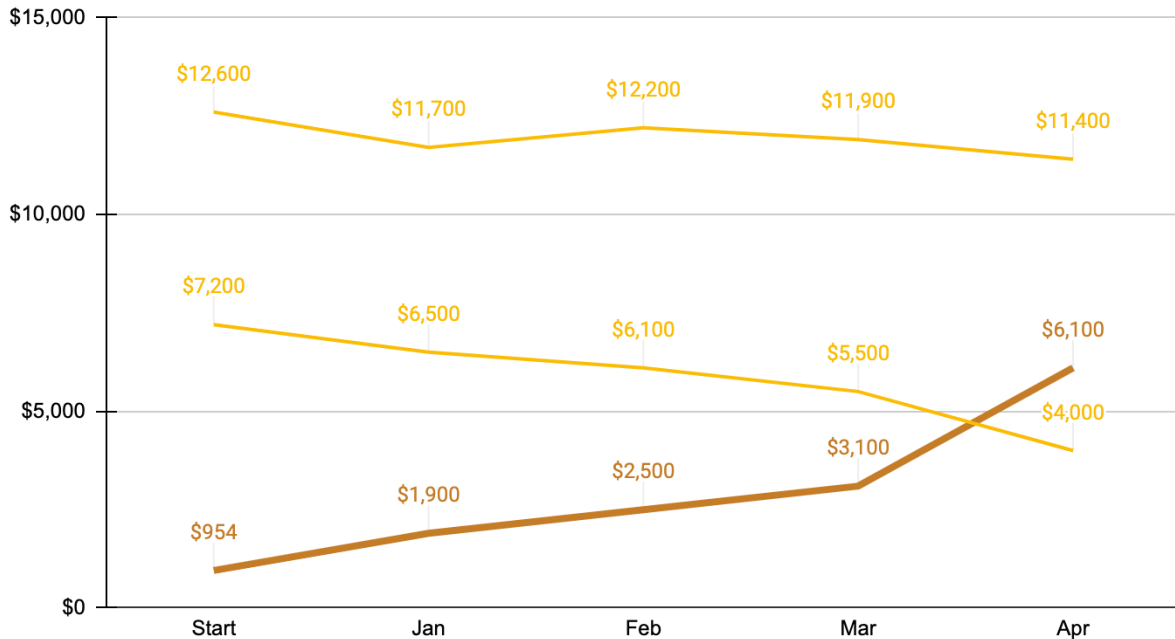
## ORGANIC SEARCH \$VALUE

The climb should be steady. And you probably want to check daily at first as you start making most of the optimizations to get a bead on what gets the most traction. But, don't let momentary backward movement deter you from doing those things that you know are important in the long run.

**The client in this case study went from \$954 per month, to \$6,100 over a four-month period.** The organic search traffic in Google should be improving also, but that is less important. Again, this relates to the point earlier about all traffic not being equal.

You have to determine a conversion metric that is most important to you. Let's say, as in this client's survival, it is "requests for quote." This metric should be increasing disproportionately to organic traffic in Google, because this traffic, being driven by higher-value keywords, is more ripe to be a new customer.

## Monthly Organic Traffic \$ Value

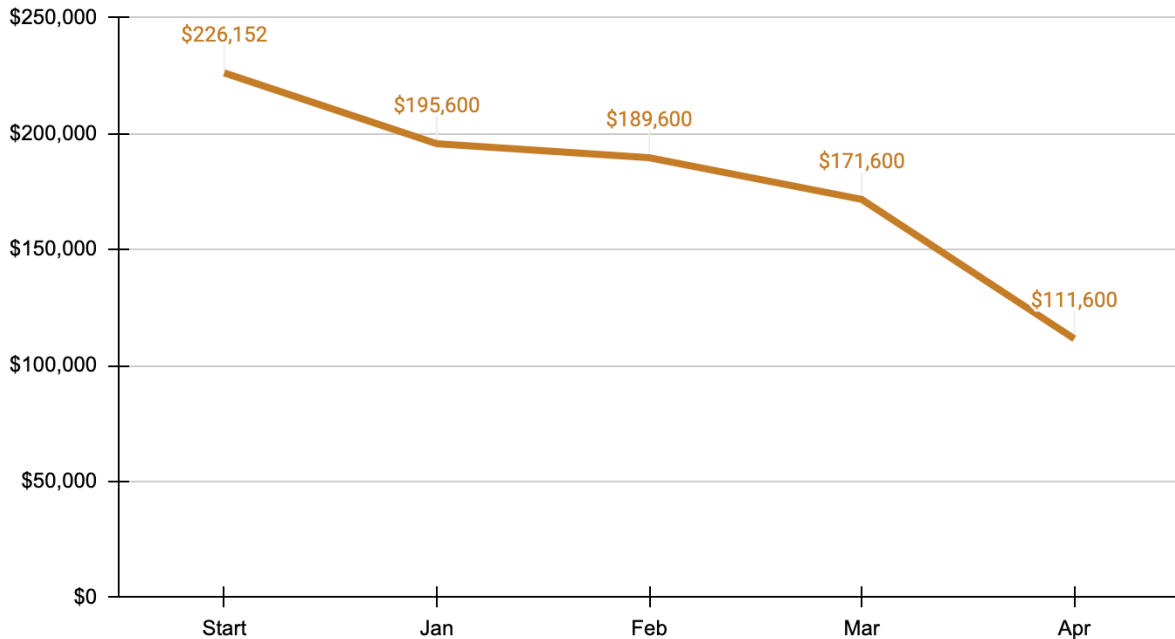


Also notice the watershed moment that occurred in month four, where they passed Competitor 2 for the first time. Both Competitor 1 and Competitor 2 have gone down, while you've gone up. This is also to be expected. **If your market isn't increasing, your gains will come at somebody else's expense. In reality, if your client goes up \$5K, and your two competitors go down \$4K you have produced a \$9K benefit.**

## GAP CLOSURE

Over a four-month period we have taken the Annual Organic Traffic \$Value Gap from \$226.1K to \$111.6K, cutting it by more than half. That is a significant competitive movement that is directly related to four months of disciplined SEO.

## Annual Organic Traffic \$ Gap



## NON-BRANDED TRAFFIC

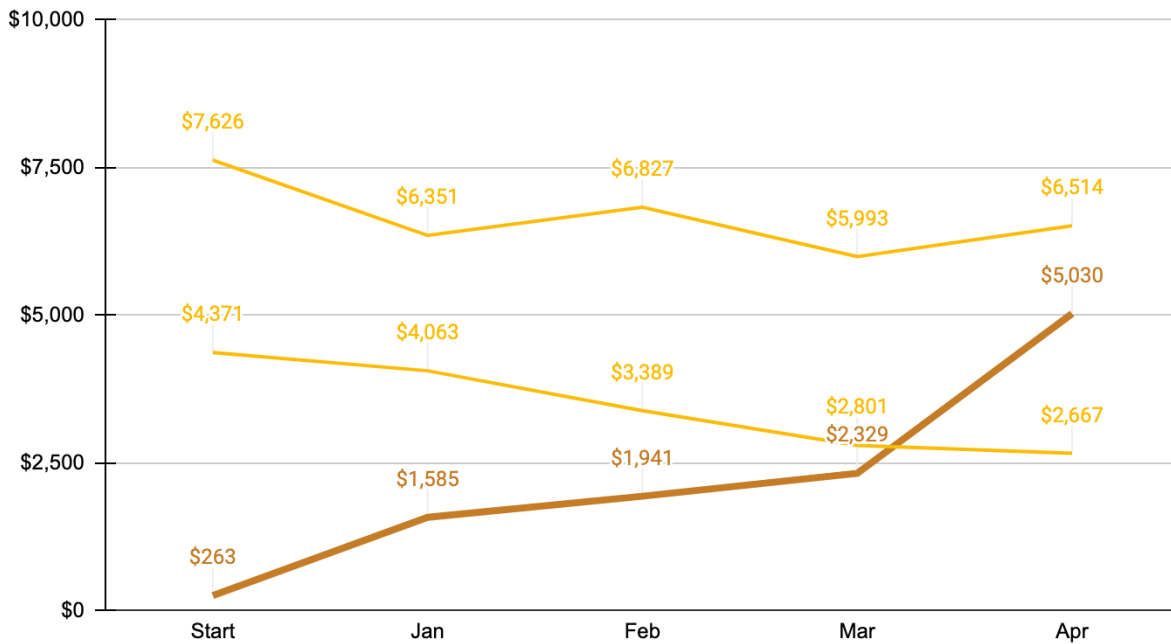
Remember where we were in terms of Non-Branded Organic Traffic? It was about 30% of our web traffic. Now, by focusing on those non-branded, strategic keywords, we have made the most improvement relative to those keywords. The chart below shows just exactly where we are hurting the competition. Our client has passed Competitor 2 and is on the heels of Competitor 1 with this specific type of traffic.

Now, you may be asking “why is this specific chart showing the most improvement?” Several reasons. Competitor 1 is a bigger company, with a broader product offering, and more regular customers. This profile feeds more branded traffic, which this metric removes. This metric gets straight to the heart of all of our activity and work. We wanted to reach potential new customers looking for a “material lift” solution.

This gap began at over \$11K per month, and is now just over \$4K per month. It has been reduced by approximately 65% over a four-month period. At the current rate, it is **netting**

over \$57K of Non-Branded Organic Search Traffic \$Value they weren't getting before the program began. More importantly, when you combine with the associated losses being felt by their competitors, **there has been a competitive movement of more than \$91K.**

### Monthly Non-Branded Organic Traffic \$ Value



## ROI

Now that we have solid, real-world metrics related to organic traffic and its value, we can easily calculate our ROI. We could use any of the following values and divide by SEO program costs.

### Summary of Benefits

- Monthly Organic Search \$Value Improvement = \$5.2K
- Monthly Organic Search \$Value v Competitors = +\$9K

- Annual Organic Search \$Value Improvement = >\$61K
- Annual Organic Search \$Value Gap Closure = \$114K
- Monthly Non-Branded Organic Search \$Value Improvement = \$4.7K
- Annual Non-Branded Organic Search \$Value Improvement = \$57K
- Annual Non-Branded Organic Search \$Value v Competitors = +\$91K

To run a thorough, disciplined Global or National SEO Program typically requires an investment of \$3K per month over a six month period. After that, most of the expenses are related more to content creation, integration and backlinks programs (which continues to feed ongoing SEO) and less to do with spreadsheet analyzing and optimizations. The investment doesn't change, but shifts into the next areas that need to be addressed over an ongoing period. The end goal is to keep driving those benefit numbers.

In all cases, whether you look at it monthly compared to a \$3K investment, which improved competitive position by \$9K, or annually in terms of gap closure, you can see the real-world ROI that can be demonstrated to clients.