

# online marketing

## white paper



**search engine optimization:**  
Is your website capturing  
your share of the Internet market?



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## White Paper

Since its conception and introduction to the masses, the Internet has become a plethora of information, opportunities and method to communicate with others on a global scale. As more and more websites are born, it is increasingly important that your website receive the attention it needs to capture your share of this growing marketplace.

The common mistake that most website owners make is that they believe that the moment that they place their website online that the cash will start rolling in. Unfortunately, this is a myth that many infomercials and get-rich-schemers have utilized to profit and build their own money empires.

Today's Internet audience is savvy and they recognize the wealth of information that is available online. More and more people are turning to the Internet to purchase everything from apparel and home décor to business related services and products. It is more important now, than ever before that your website be seen by this growing audience.

The 5 top reasons to invest in the Internet are:

- 1) People can find your online business 24 hours a day, 7 days a week, 365 days per year.
- 2) The low cost of setting up and maintaining a website is far more affordable than direct mailing or other advertising campaigns.
- 3) The Internet saves time because people can buy online without having to wait in line or speak to a pushy sales person.
- 4) A website is interactive and people can gain the information they need or make a purchase more easily than through more traditional methods.
- 5) Marketing campaigns can be easily tracked through traffic and other reporting software and the return on investment is accurate and measurable.

If the reasons to invest in the Internet still don't sway your opinion about gaining a strong presence online, you should understand that having a website isn't enough to earn online business! Search engine optimization is vital for any website owner who is serious about capturing business in this growing marketplace. Here's why:

### **Most visitors find websites by using the search engines.**

FACT:

46% of users find a website via the search engines. (SOURCE: Target Marketing Magazine)

FACT:

The top 3 search engines (Google—43.7%, Yahoo—28.8%, MSN—12.8%) account for 85% of all search engine traffic. (SOURCE: gSearch ComScore Media Metrix, August 2006)

### **Properly ranked sites (e.g. those site which have been optimized to gain a “natural” high ranking) generate the bulk of all website traffic**

FACT:

70% of visitors use natural/organic rankings while only 30% use Pay-per-click [PPC] ads. (SOURCE: “Are Corporate Websites Optimized for SEO?” by Paul Bruemmer, August 2005)

FACT:

First page positions (e.g. positions 1-10) get approximately 90% of the clicks and 2<sup>nd</sup> page results (positions 11-20) get approximately 10% of the clicks. (SOURCE: Penn State University Research)

FACT:

Organic click through rates are over double that of PPC ads. (SOURCE: Enquiro and Did-it)

FACT:

The EyeTracking Heatmap (2006) demonstrates that the hotspots for clicks are in the top three positions of search engine rankings!

### **Websites are the top sales channel for businesses with a properly positioned website.**

FACT:

For companies who have a website and spend money on online advertising between 70%-83% of them report that their top sales channel is their website. (SOURCE: SemPro SEM Survey, 2004)

FACT:

Between 52-62% of online companies are using online promotion to sell products or services directly through their websites. (SOURCE: SemPro SEM Survey, 2004)

### **Search engine “natural” results produce better quality links than sponsored (PPC) listings.**

FACT:

Nearly 73% of Google users felt that sites which ranked “naturally” had more relevant data than per-click results. (SOURCE: OneUpWeb)

FACT:

Nearly 61% of Yahoo users felt that sites which ranked “naturally” had more relevant data than per-click results. (SOURCE: OneUpWeb)

FACT:

81% of people using the search engines find the information they need every time, if not all the time. (SOURCE: Forrester Research)

FACT:

78% of searchers who clicked on a PPC link said that they found the information they needed less than 40% of the time. (SOURCE: WebAdvantage.net)

**Websites that rank in the top positions are believed to be the best companies in that field.**

FACT:

36% of search engine users believe that the companies whose websites are returned at the top of the search results are the top companies in that field. (SOURCE: iProspect and Jupiter Research, April 2006)

**Most websites still have not captured the wealth that proper optimization can bring to their websites.**

FACT:

Only 12% of retail sites are properly optimized, while less than 10% of major corporation sites were optimized. (SOURCE: OneUpWeb)

FACT:

Of 44 of the largest software business firms in the US, 28% of them were not properly positioned in the search engines. This is an eye-opening statistic, because it clearly demonstrates that no matter how famous your brand, better rankings are still achieved with proper search engine optimization. (SOURCE: MarketingSherpa)

FACT:

Today's internet users are more savvy and look to search engine results to find the information they need. Website owners are just starting to recognize that proper optimization leads to more quality traffic and more online visibility. (SOURCE: Reports from MarketingSherpa-August 2006, Merrill Lynch-June 2005, Piper Jaffray-January 2006)

FACT:

In 2003, PPC had an annual growth of 173%. But, as of March, 2006 the growth rate for 2005 was only 33%. It is anticipated that the growth rate for PPC will drop to 12% by 2010! (SOURCE: eMarketer) However, organic optimization is on the rise and growing at a more consistent rate. (SOURCE: MarketingSherpa)

**Search engine optimization is top priority in marketing planning.**

FACT:

Approximately 35% of businesses plan to increase their SEO budgets by 10-90% for the coming year. (SOURCE: SemPro SEM Survey, 2004)

FACT:

As many as 60% of senior executives in major corporations appreciate the value search engine marketing brings to their business objectives and state it is a high priority. (SOURCE: SemPro SEM Survey, 2004)

FACT:

40-48% of marketing budgets are new budgets set up specifically for organic SEO. (SOURCE: SemPro SEM Survey, 2004)

FACT:

Approximately 20% of marketing budgets are budgets which are a combination of new funds and funds shifted from other marketing programs to accommodate organic search engine optimization expenditures. (SOURCE: SemPro SEM Survey, 2004)

FACT:

Approximately 15% of marketing budgets set aside for search engine optimization have been shifted from other marketing programs. (SOURCE: SemPro SEM Survey, 2004)

## **Organic/Natural Optimization has lower associated costs**

FACT:

Search Engine Optimization accounts for only 1/10<sup>th</sup> of the marketing budget but generates the largest return on investment. (SOURCE: SemPro SEM Survey, 2004)

FACT:

PPC spending is nearly 5 times higher than that of organic optimization. (SOURCE: SemPro SEM Survey, 2004)

FACT:

Per-click advertising costs are on the rise. In fact, between 2004-2005 the cost of the average keyword more than doubled. (SOURCE: OneUpWeb and SemPro SEM Survey, 2004)

FACT:

78% of companies surveyed felt that prices went up on PPC click ads. Of those surveyed, 23% stated that they could not afford any further rise in keyword prices. (SOURCE: SemPro SEM Survey, 2004)

FACT:

Between 50-60% of PPC advertiser feel that high performing keywords are too expensive, and/or that advertisers are over-paying for certain keywords. (SOURCE: Enquiro—July 2005 and OneUpWeb)

FACT:

PPC advertisers plan to increase their PPC budget by 39%! (SOURCE: SemPro SEM Survey, 2004)

## **Natural/Organic Optimization maintains a long-term return on investment and yields a 15% larger return than PPC.** (See our report, "What's Your ROI?", September 2006.)

FACT:

Search Engine Optimization has a better return on investment. Based on a 2006 survey conducted by MarketingSherpa, search engine optimization yielded nearly a 69% return on investment compared with only a 53% return on investment for pay-per-click advertising campaigns.

FACT:

Sites that outsource Search Engine Optimization vs. handling it in house, saw a 110% increase in overall site traffic in 6 months. In house optimization saw a 73% increase in traffic within 6 months. (SOURCE: MarketingSherpa)

FACT:

Nearly 55% of sites surveyed reported organic SEO as the best return on investment. (SOURCE: SemPro SEM Survey, 2004)

FACT:

35% of sites surveyed reported that search engine optimization yielded a higher return on investment than PPC ads. (SOURCE: iProspect, August 2005)

FACT:

As many as 82% of PPC advertisers state that they would deal with the rising cost of PPC ads by trying to improve their sites efficiency in converting visitors. (SOURCE: SemPro SEM Survey, 2004)

## **Natural Search converts at a rate nearly 20% higher than PPC**

### FACT:

The conversion rate for search engine optimization is 4.2% while PPC conversion rates are only 3.6%. (SOURCE: MarketingSherpa)

### FACT:

Trend studies and surveys also indicate that sales conversions are much higher, and on the rise, for visitors who arrive at a website destination through the use of natural optimization. (SOURCE: Pew Internet and American Life Project.)

## **Natural/organic optimization utilized less time and staffing resources.**

### FACT:

Larger organizations expect internal staff to spend on average 59 hours per month on organic optimization efforts compared to 82 hours that they expect internal staff to spend on PPC programs. (SOURCE: SemPro SEM Survey, 2004)

## **Unlike paid sponsor listings, natural/organic optimization doesn't waste time or money on fraud related issues**

### FACT:

Nearly 1/3 of all PPC advertisers feel that click fraud is a moderate to significant problem. And nearly 2/3 of PPC advertisers feel that click fraud is something that they are concerned about. (SOURCE: SemPro SEM Survey, 2004)

### FACT:

Click Fraud is a common problem with PPC campaigns. Of website owners surveyed and who monitor their website traffic via reports and traffic logs, 57% state that they expect that click fraud will be a problem similar to spam that will continue cost both time and money. With organic optimization, click fraud is a non-issue! (SOURCE: MarketingSherpa)

The facts are clear—search engine optimization is critical to online marketing success. Is your website ready to capture your share of the Internet marketplace? If not, the time to make your online presence known is now!