BENCHMARK REPORT

2012 Search Marketing - SEO Edition

Research and Insights on Creating and Capitalizing on a Rich End-User Search Experience

sponsored by Slingshot SEO
2012 Search Marketing – SEO Edition

Benchmark Report

Research and Insights on Creating and Capitalizing on a Rich End-User Search Experience

Author
Kaci Bower, Research Analyst

Contributors
Sergio Balegno, Research Director
Jen Doyle, Senior Research Manager
Jeff Rice, Research Analyst
Adam Sutton, Reporter
Amie Bolton, Research Analyst

Production Editor
Brad Bortone, Editor
TABLE OF CONTENTS

Table of Contents .................................................................................................................... ii

Executive Summary ................................................................................................................ 1

New Research and Insights on Creating and Capitalizing on a Rich End-User Search Experience ......... 1

Key finding: Developing a strategy is a top challenge…but bottom objective ................................... 2

Chart: Comparing most frustrating SEO challenges with most important SEO objectives ............ 2

Key finding: Content creation works the best, but takes the most work ........................................... 3

Chart: Three dimensional view of SEO tactics ........................................................................... 3

Key finding: Incremental SEO improvements add up to large gains .............................................. 4

Chart: Organic traffic lead quality and conversion rates, by SEO maturity phase ......................... 4

Key finding: Future investments in SEO backed by having SEO process in place ....................... 5

Chart: Expected 12-month SEO budget change, by SEO maturity phase ..................................... 5

Key finding: Local business listing tactics are underutilized ......................................................... 6

Chart: Local business listing tactics used for local search purposes ............................................. 6

Chapter 1: SEO Objectives and Challenges ........................................................................ 7

Informal processes still define SEO marketing maturity ................................................................. 7

Chart: Organizations with a process for planning, executing and measuring SEO programs .......... 7

Chart: Organizations in each phase of SEO marketing maturity, by primary channel .................. 8

Chart: Organizations in each phase of SEO marketing maturity, by industry ................................ 9

Challenges hampering SEO effectiveness over last 12 months .................................................... 10

Chart: Web traffic and lead generation are top challenges for SEO ............................................ 10

Chart: Most frustrating SEO challenges, by primary channel ..................................................... 11

Chart: Most frustrating SEO challenges, by organization size .................................................... 12

Chart: Most frustrating SEO challenges, by SEO maturity phase ............................................. 13

Chart: Most frustrating SEO challenges, by industry ................................................................. 14

Objectives for SEO programs in next 12 months ........................................................................ 15

Chart: Increasing web traffic and lead generation top the list for SEO objectives ........................ 15

Chart: Most important SEO objectives, by primary channel ..................................................... 16

Chart: Most important SEO objectives, by organization size .................................................... 17

Chart: Most important SEO objectives, by SEO maturity phase ............................................. 18

Chart: Most important SEO objectives, by industry ................................................................. 19

Marketer insights on developing SEO marketing strategies ......................................................... 20

Chapter 2: SEO Tactics ........................................................................................................ 23

Majority of organizations run SEO campaigns in-house ............................................................. 23

Chart: Popularity of in-house versus outsourced SEO campaign management ........................... 23

Chart: SEO campaign management, by primary channel ............................................................ 24

Chart: SEO campaign management, by organization size .......................................................... 25

Chart: SEO campaign management, by SEO maturity phase .................................................... 26

Chart: SEO campaign management, by SEO maturity phase .................................................... 27
Keyword-focused tactics are the most popular ................................................................. 28
Chart: SEO tactics used by organizations cover many angles ........................................... 28
Chart: SEO tactics, by primary channel ........................................................................... 29
Chart: SEO tactics, by organization size .......................................................................... 30
Chart: SEO tactics, by SEO maturity phase .................................................................. 31
Chart: SEO tactics, by industry ...................................................................................... 32

Good content is great link bait…but difficult to create .................................................... 33
Chart: SEO tactics vary widely in their degree of difficulty to execute ......................... 33
Chart: SEO tactics deemed very or somewhat difficult, by primary channel .............. 34
Chart: SEO tactics deemed very or somewhat difficult, by organization size ............. 35
Chart: SEO tactics deemed very or somewhat difficult, by SEO maturity phase ......... 36
Chart: SEO tactics deemed very or somewhat difficult, by industry ......................... 37

Content creation may be difficult, but it is effective ...................................................... 38
Chart: Content creation and keyword research considered most effective SEO tactics .... 38
Chart: SEO tactics deemed very effective, by primary channel .................................. 39
Chart: SEO tactics deemed very effective, by organization size .................................. 40
Chart: SEO tactics deemed very effective, by SEO maturity phase .............................. 41
Chart: SEO tactics deemed very effective, by industry ................................................ 42

Chapter 3: Monitoring and Tracking Metrics ................................................................. 47

Web conversion often defined as multiple-field form completion ................................ 47
Chart: How organizations define a website conversion ................................................... 47
Chart: Definition of website conversion, by primary channel ....................................... 48
Chart: Definition of website conversion, by organization size ....................................... 49
Chart: Definition of website conversion, by SEO maturity phase .................................. 50
Chart: Definition of website conversion, by industry .................................................... 51

Median conversion rate on organic traffic is 4%............................................................. 52
Chart: Organizations experience wide variability in conversion rates on organic traffic 52

Page 1 of SERPs not out of reach for most marketers ....................................................... 53
Chart: Targeted key terms yield good rankings for many .............................................. 53
Chart: Organic ranking for targeted key terms, by primary channel ............................. 54
Chart: Organic ranking for targeted key terms, by organization size ............................. 55
Chart: Organic ranking for targeted key terms, by SEO maturity phase ...................... 56
Chart: Organic ranking for targeted key terms, by industry .......................................... 57

Organic search plays minor role in total lead volume ..................................................... 58
Chart: Percent of total lead volume from organic search .............................................. 58
Chart: Percent of total lead volume from organic search, by primary channel ............ 59
Chart: Percent of total lead volume from organic search, by organization size ............ 60
Chart: Percent of total lead volume from organic search, by SEO maturity phase ........ 61
Chart: Percent of total lead volume from organic search, by industry .......................... 62

Organic search yields mixed results for lead quality, with some standouts .................. 63
Chart: Quality of leads from organic search ................................................................. 63
Chapter 4: Planning and Tracking Budgets ................................................................. 75

Biggest budget increases expected in inbound marketing ........................................ 75
Chart: Expected marketing budget changes over 12 months ..................................... 75
Chart: Expected marketing budget increases over 12 months, by primary channel .... 76
Chart: Expected marketing budget increases over 12 months, by organization size ... 77
Chart: Expected marketing budget increases over 12 months, by SEO maturity phase 78
Chart: Expected marketing budget increases over 12 months, by industry ................. 79

Half of marketing budgets go to online marketing, on average ..................................... 80
Chart: Percentage of total marketing budget allocated to online marketing varies widely 80

PPC, SEO and Website take big share of online marketing budget .............................. 81
Chart: Allocation of online marketing dollars ................................................................. 81
Chart: Allocation of online marketing dollars, by primary channel ......................... 82
Chart: Allocation of online marketing dollars, by organization size ....................... 83
Chart: Allocation of online marketing dollars, by SEO maturity phase .................... 84
Chart: Allocation of online marketing dollars, by industry ........................................ 85

Staff salaries comprise the largest portion of total SEO budgets ............................... 86
Chart: Total SEO budget allocation .............................................................................. 86
Chart: Total SEO budget allocation, by primary channel ........................................... 87
Chart: Total SEO budget allocation, by organization size .......................................... 88
Chart: Total SEO budget allocation, by SEO maturity phase ...................................... 89
Chart: Total SEO budget allocation, by organization size .......................................... 90

Budgets earmarked for SEO programs ........................................................................ 91
Chart: SEO program budgets, by organization size ....................................................... 91
Chart: SEO program budgets, by SEO maturity phase ................................................ 92

SEO budgets expected to stay the same or grow .......................................................... 93
Chart: Expected 12-month SEO budget change .......................................................... 93
Chart: Expected 12-month SEO budget change, by primary channel ....................... 94
Chart: Expected 12-month SEO budget change, by organization size ..................... 95
Chart: Expected 12-month SEO budget change, by SEO maturity phase .................. 96
Chart: Expected 12-month SEO budget change, by industry ...................................... 97

Marketer insights on the value returned from SEO budget invested ............................ 98

Chapter 5: Integrating Social Media and SEO ............................................................ 101
Rankings and links are top goals for social integration ............................................................. 101
Chart: Top goals for integrating social media with SEO .......................................................... 101
Chart: Goals for integrating social media with SEO, by primary channel ................................. 102
Chart: Goals for integrating social media with SEO, by organization size ............................. 103
Chart: Goals for integrating social media with SEO, by primary channel ................................. 104
Chart: Goals for integrating social media with SEO, by industry ........................................... 105

Blogs considered most effective social media platform .......................................................... 106
Chart: Level of effectiveness by social media platform ........................................................... 106
Chart: Social media platforms deemed very or somewhat effective, by primary channel ........ 107
Chart: Social media platforms deemed very or somewhat effective, organization size ........... 108
Chart: Social media platforms deemed very or somewhat effective, by SEO maturity phase .... 109
Chart: Social media platforms deemed very or somewhat effective, by industry .................... 110

Inbound marketing lead sources are growing in importance ..................................................... 111
Chart: Lead sources increasing and decreasing in importance over last 12 months ............... 111
Chart: Lead sources growing in importance over last 12 months, by primary channel .......... 112
Chart: Lead sources growing in importance over last 12 months, by organization size ........ 113
Chart: Lead sources growing in importance over last 12 months, by SEO maturity phase ....... 114
Chart: Lead sources growing in importance over last 12 months, by industry ....................... 115

Inbound leads cost 66% less than outbound leads, on average ................................................ 116
Chart: Cost of inbound versus outbound lead ........................................................................ 116
Table: Cost of inbound leads, by segment ............................................................................. 117
Table: Cost of outbound leads, by segment ........................................................................... 117

Marketer insights on achieving results from social media and SEO integration ....................... 118

Chapter 6: The Importance of Content in a Search Marketing Strategy ................................. 119

Web pages and social media are the most used content products ........................................... 119
Chart: Mix of content products used as part of total search marketing strategy ..................... 119
Chart: Content marketing products, by primary channel ....................................................... 120
Chart: Content marketing products, by organization size ...................................................... 121
Chart: Content marketing products, by SEO maturity phase .............................................. 122
Chart: Top 12 content marketing products, by industry ....................................................... 123

Many content products require high level of time, effort, expense ........................................ 124
Chart: Degree of difficulty required in creating content products .......................................... 124
Chart: Content products deemed very or somewhat difficult to create, by primary channel ..... 125
Content products deemed very or somewhat difficult to create, by organization size .......... 126
Content products deemed very or somewhat difficult to create, by SEO maturity phase ....... 127

Customer reviews considered the most effective content product ........................................ 128
Chart: Level of effectiveness in achieving marketing objectives, by content product .......... 128
Chart: Level of effectiveness in achieving marketing objectives, by primary channel .......... 129
Chart: Level of effectiveness in achieving marketing objectives, by organization size .......... 130
Chart: Level of effectiveness in achieving marketing objectives, by SEO maturity phase ....... 131

Chapter 7: Capitalizing on Local Search ............................................................................. 133

Local search viewed as having positive impact on objectives ............................................... 133
Chart: Impact of search products on marketing objectives ........................................................ 133
Chart: Search products deemed to have a positive impact, by primary channel ....................... 134
Chart: Search products deemed to have a positive impact, by organization size ....................... 135
Chart: Search products deemed to have a positive impact, by SEO maturity phase .................... 136
Chart: Search products deemed to have a positive impact, by industry .................................... 137

Many still have no local business listing on search engines ......................................................... 138
Chart: Organizations claiming local business listing on search engines .................................... 138
Chart: Organizations claiming local business listing, by primary channel ................................. 139
Chart: Organizations claiming local business listing, by organization size ............................... 140
Chart: Organizations claiming local business listing, by SEO maturity phase ............................. 141
Chart: Organizations claiming local business listing, by industry ............................................... 142

Chart: Organizations claiming local business listing on search engines .................................... 138
Chart: Organizations claiming local business listing, by primary channel ................................. 139
Chart: Organizations claiming local business listing, by organization size ............................... 140
Chart: Organizations claiming local business listing, by SEO maturity phase ............................. 141
Chart: Organizations claiming local business listing, by industry ............................................... 142

Chart: Organizations claiming local business listing on search engines .................................... 138
Chart: Organizations claiming local business listing, by primary channel ................................. 139
Chart: Organizations claiming local business listing, by organization size ............................... 140
Chart: Organizations claiming local business listing, by SEO maturity phase ............................. 141
Chart: Organizations claiming local business listing, by industry ............................................... 142

Many local business listing tactics are not being put into play .................................................... 143
Chart: Local business listing tactics used for local search purposes ......................................... 143
Chart: Local business listing tactics used for local search, by primary channel ............................ 144
Chart: Local business listing tactics used for local search, by organization size ............................ 145
Chart: Local business listing tactics used for local search, by SEO maturity phase ........................ 146
Chart: Local business listing tactics used for local search, by SEO industry ................................ 147

Optimizing for local terms is not commonly practiced by most ..................................................... 148
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 148
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 149
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 150
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 151
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 152

Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 148
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 149
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 150
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 151
Chart: Percent of organizations optimizing for local terms as part of organic search strategy ...... 152

Developing local content is top local optimization tactic .............................................................. 153
Chart: Top local search optimization tactics ................................................................. 153
Chart: Local search optimization tactics, by primary channel .................................................... 154
Chart: Local search optimization tactics, by organization size ................................................... 155
Chart: Local search optimization tactics, by SEO maturity phase .............................................. 156
Chart: Local search optimization tactics, by industry ............................................................... 157

Marketer insights on the challenges of optimizing for local search ............................................. 158
Marketer insights on successfully optimizing for local search ...................................................... 161

Chapter 8: Making Sense of Mobile Search ................................................................................... 163

Chart: Degree of importance search products play in achieving search marketing objectives .. 163
Chart: Search products deemed critical or important for achieving search marketing objectives, by primary channel ................................................................. 164
Chart: Search products deemed critical or important for achieving search marketing objectives, by organization size ................................................................. 165
Chart: Search products deemed critical or important for achieving search marketing objectives, by SEO maturity phase ................................................................. 166
Chart: Search products deemed critical or important for achieving search marketing objectives, by industry ................................................................. 167

Ad campaigns enabled more often than actually optimized for mobile ........................................ 168
An A-to-Z glossary of common search marketing terms .................................................. 202
EXECUTIVE SUMMARY

NEW RESEARCH AND INSIGHTS ON CREATING AND CAPITALIZING ON A RICH END-USER SEARCH EXPERIENCE

A rich end-user experience has become the hallmark of search marketing. Searchers now receive instant, real-time, personalized and local information. Blended search supports these developments by generating results pages that include not only blue links, but also video, images, news, press releases, customer reviews and real-time social media content.

This colorful backdrop of search activity is the setting for MarketingSherpa’s eighth annual benchmark report of search engine marketing. Last year’s study looked at managing the evolving search and social climate to achieve optimal results; this year’s report builds on that by examining the fast-paced and growing shift to inbound marketing efforts. The role of content, including optimized local content, also comes under study. Marketers rated content creation as the most difficult (yet most effective) SEO tactic. This comes as no surprise, since content marketing sits at the intersection of search and social. To achieve good organic rankings and ensure that their products and services are found across all formats and venues, organizations must be strategic with their planning and processes, and ever-savvy with the creation and optimization of all digital assets. Simply put, good content makes for a better end-user experience.

Organized for fast and easy reference

The 2012 Search Marketing Benchmark Report – SEO Edition is a comprehensive reference guide containing more than 150 charts with analytical commentary, hundreds of informative insights from your peers, several abridged case studies of real-life search and inbound marketing campaigns and more. To help you quickly locate the information most relevant to your marketing situation, we have segmented data throughout this report by:

- Average of all respondents
- Primary marketing channels
- Organization size
- Phases of search marketing maturity
- Key industry sectors

Highlights of this year’s study

- The alignment of search marketing objectives against the most difficult SEO challenges
- The usage, effectiveness and level of effort required for SEO tactics and content products
- How organizations are allocating marketing dollars and where they are shifting their efforts
- What marketers are doing to fare well in local and mobile search results
- How agencies view their clients’ SEO and inbound marketing efforts
KEY FINDING: DEVELOPING A STRATEGY IS A TOP CHALLENGE...BUT BOTTOM OBJECTIVE

In planning for the upcoming year, marketers’ SEO program objectives frequently addressed the previous year’s challenges head-on. Bringing in more website traffic and increasing the volume and quantity of leads generated were cited as last year’s top challenges. These now are top objectives for the coming year.

Developing a strategy should be a top objective, especially in light of the fact that developing an effective strategy had been a top challenge for the previous 12 months. A strategy would also serve to guide prioritization decisions for other objectives. Nevertheless, many organizations sidestepped this and zeroed in on clear revenue drivers such as Web traffic, leads, online sales and brand awareness. Interestingly, increasing measurable ROI ranked higher as an objective than developing an actual strategy to do so!

Chart: Comparing most frustrating SEO challenges with most important SEO objectives

<table>
<thead>
<tr>
<th>Challenge from last 12 months</th>
<th>Objectives for next 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing website traffic</td>
<td>53%</td>
</tr>
<tr>
<td>Increasing lead generation</td>
<td>48%</td>
</tr>
<tr>
<td>Developing an effective and methodical strategy</td>
<td>42%</td>
</tr>
<tr>
<td>Achieving or increasing measurable ROI</td>
<td>39%</td>
</tr>
<tr>
<td>Integrating with social media</td>
<td>37%</td>
</tr>
<tr>
<td>Improving brand/product awareness or reputation</td>
<td>31%</td>
</tr>
<tr>
<td>Increasing online sales revenue</td>
<td>29%</td>
</tr>
<tr>
<td>Integrating search marketing analytics into a single dashboard</td>
<td>27%</td>
</tr>
<tr>
<td>Integrating search marketing data with CRM and other marketing systems</td>
<td>26%</td>
</tr>
<tr>
<td>Increasing offline sales revenue</td>
<td>17%</td>
</tr>
<tr>
<td>Improving public relations</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: ©2011 MarketingSherpa Search Marketing Benchmark Survey
Methodology: Fielded April 2011, N=1,530
KEY FINDING: CONTENT CREATION WORKS THE BEST, BUT TAKES THE MOST WORK

Keyword and keyphrase research is an old standby. When done well, this research delivers results and creates a competitive advantage, explaining its popular levels of usage. Creating title tags is another keyword-related and commonly used tactic – one which marketers considered to be equally effective.

Content creation stands apart in the cluster of tactics, both for its difficulty and its effectiveness. Good content creates buzz and attracts links. For this reason, marketers who commit to the effort required in creating quality content can improve their SEO positions.

Chart: Three dimensional view of SEO tactics

But, what is good and effective content? From the perspective of marketers surveyed, Web pages ranked highly, with half of marketers stating that they are very effective in helping them achieve their marketing objectives. Many Web pages also act as SEO landing pages if they serve as an entry point from search results. When pages have strong customer-oriented language, good layouts and clear call-to-actions, there is a greater likelihood of “click through” than “click back.”

Webinars and whitepapers were other leading examples of good content, with 46 percent and 40 percent of marketers, respectively, rating these as very effective content products.
KEY FINDING: INCREMENTAL SEO IMPROVEMENTS ADD UP TO LARGE GAINS

Organizations that routinely follow a formal process and thorough guidelines for their SEO practices and programs reap the biggest bottom-line benefits. One example is lead quality. Organizations in the Trial or Transition phases for SEO performance management each had a percentage of natural search leads deemed "low-quality." In contrast, only organizations in the Strategic phase could declare that all leads from natural search traffic were either of the highest quality or of mixed quality.

Chart: Organic traffic lead quality and conversion rates, by SEO maturity phase

Not only do the efforts of strategically minded organizations pay off through a larger percentage of high-quality leads from organic search traffic, but they also convert more of these leads. When looking at median conversion rates, Strategic organizations tend to convert 150 percent more leads than Trial organizations and 25 percent more than Transition organizations, or those with informal processes and guidelines.
**KEY FINDING: FUTURE INVESTMENTS IN SEO BACKED BY HAVING SEO PROCESS IN PLACE**

Who doesn’t like to get the biggest bang for the buck? Organizations in the Transition and Strategic phases of SEO maturity convert more high-quality leads from natural search visits. As such, it makes sense for organizations to put more money into these programs.

**Chart: Expected 12-month SEO budget change, by SEO maturity phase**

Organizations that are relatively immature with their SEO processes are still investing money into SEO. The overwhelming majority of these organizations spend their SEO budgets on staff salaries, whereas Transition and Strategic organizations tend to divide their budgets across staff salaries, outsourced agency services, and for-fee SEO marketing and analytics tools.
**KEY FINDING: LOCAL BUSINESS LISTING TACTICS ARE UNDERUTILIZED**

Local business listings and reviews now sit atop natural search results; therefore, it is critical to be found through local search. Despite this reality, only 37 percent of organizations surveyed claimed a local business listing on one or more search engines. Of those, most did not fully employ available listing tactics.

**Chart: Local business listing tactics used for local search purposes**

Even fewer organizations, namely 27 percent, had optimized for local search as part of their organic search (SEO) strategy. Adding local content to Web pages, blog posts and titles was the most popular local optimization tactic for this group, with 81 percent committed to this effort. By contrast, posting customer reviews or making customers aware of a customer review site (e.g. Yelp, Places) were efforts that ranked low in their execution. With local search algorithms placing weight on the quantity of reviews and citations, the importance of encouraging more (unbiased, non-incentivized) reviews cannot be overrated. Interestingly, marketers indirectly agreed with this in another question, where 88 percent said that customer reviews were the most effective content product for helping them achieve their marketing objectives.

---

Source: ©2011 MarketingSherpa Search Marketing Benchmark Survey
Methodology: Fielded April 2011, N=1,530
Get free case studies and how-to articles from our reporters

Join 237,000 weekly newsletter readers. Receive free, in-depth case studies and how-to articles based on hundreds of hour-long interviews with brand-side marketing VPs and directors about Inbound Marketing every year.

Inbound Marketing

Keep up with the latest trends in the ever-changing world of search, social, and content marketing. *Bi-Weekly*

Subscribe for FREE

www.marketingsherpa.com/newsletters
Special Discount: Save $100

New 2012 Search Marketing Report- SEO Edition Includes:

- 161 Charts and analytical commentary
- 1,530 Surveyed marketers used
- Special sections on content, search marketing strategy, local and mobile search, and integration
- Top SEO tactics including content creation, external link building, keyword and keyphrase research
- Search marketing success stories: Using social media boosts leads 30% and revenue 114%

YES! I want the most recent resource available with new data and insights in the 2012 Search Marketing Benchmark Report - SEO Edition. I want to take advantage of the $100 discount and I know my order is risk-free because it's covered by MarketingSherpa's 100% satisfaction guarantee.

[ ] PDF + Print Copy ($347 +Postage & Handling)
[ ] PDF Only ($297)

First email my PDF copy to: ____________________________

(we respect your privacy)

Then mail my printed copy to:

________________________________________________
Name

________________________________________________
Title

________________________________________________
Organization

________________________________________________
Address

________________________________________________
City  State/Prov  Country  Zip/Postal

________________________________________________
Phone (in case of questions)

Charge my: [ ] MasterCard  [ ] Visa  [ ] AMEX

________________________________________________
Card#  Exp. Date

________________________________________________
Print Cardholder Name

________________________________________________
Signature

OR [ ] Bill Me*  [ ] Check Enclosed to MarketingSherpa LLC

* Billing: I understand I will not receive the Guides until payment is received