

# UK Search Engine Marketing Report 2007

April, 2007

In association with **Neutralize (\*\\*)**

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## 1. About E-consultancy

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E-consultancy is an online publisher of best practice [internet marketing reports](#), research and how-to guides. E-consultancy, named Publisher of the Year at the 2006 AOP Awards, also publishes buyer's guides and has a directory of 100,000+ third party [internet marketing white papers](#).

E-consultancy has 50,000 registered users and more than 145,000 unique users sessions per month (audited by ABC Electronic). It is popular among internet professionals because of its time-saving advice and insight.

[Subscribers](#) pay from £149 per year to access the exclusive and highly practical content. E-consultancy has more than 100 [events](#) lined up for 2007, including roundtables and monthly [Supplier Showcases](#), where six suppliers pitch to an audience of pre-qualified buyers at a Central London venue.

E-consultancy also provides a range of public and in-house [training](#) programmes, such as seminars and workshops. If you would like to know more about our training options then please visit our website or contact Craig Hanna on +44 207 681 4078 or email him at [Craig@e-consultancy.com](mailto:Craig@e-consultancy.com).

<http://www.e-consultancy.com/about/>

***Please contact E-consultancy if you are interested in sponsoring research.***

## 2. About Neutralize (\*\\*)

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Neutralize (\*\\*), the sponsor of this research, is a search engine marketing agency based in the UK, specialising in enterprise Search Engine Optimisation and advanced Pay Per Click Management.

Its rapidly expanding team is dedicated to providing top quality services to those companies serious about their success online.

They are a Google Qualified Company and Google Enterprise Partners, dedicated members of the Nominet Steering Committee and members of the Search Marketing Association (UK).

For more information about the search engine marketing services provided by Neutralize (\*\\*) please contact the team on +44 8700 630707 or email [bizdev@neutralize.com](mailto:bizdev@neutralize.com).

<http://www.neutralize.com>

### 3. Introduction

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#### 3.1 Introduction by Neutralize (\*\\*)

In the last few years Search Engine Marketing has grown to become the powerhouse of the online marketing landscape, dominated by Google with the likes of Yahoo! and MSN trying to keep up with their rival's unprecedented success.

During this period Google and its competitors have grabbed most of the headlines but there has been less focus on the millions of companies which have increasingly come to rely on search engines to grow their businesses.

The objective of this research is to provide a definitive appraisal of the marketplace based on a quantitative analysis of more than 700 company and agency survey completions. Put simply, the aim is to explore how businesses use search engine marketing - with an equal focus on paid search and natural search.

As E-consultancy's research partner on this project, we were delighted that so many respondents took part in the survey, enabling robust analysis around topics ranging from search marketing budgets and effectiveness, to ratings for individual search engines and the level of uptake for emerging areas such as mobile and social search.

We believe that this is the biggest piece of UK-based research into the use of search engine marketing.

We hope that the findings serve as useful benchmarks for organisations, as well as throwing the spotlight on a number of industry issues which are sure to be the focus of debate in the months ahead.

Lucy Cokes, MD  
**Neutralize (\*\\*)**  
[www.neutralize.com](http://www.neutralize.com)

#### 3.2 Methodology

Some 744 respondents completed an online survey over a three-week period in March 2007. E-consultancy and Neutralize (\*\\*) would like to thank those who took the time to complete the questionnaire.

Information about the research, including the survey link, was emailed to E-consultancy's user base.

The majority of respondents are based in the UK although there are also significant numbers of respondents from the United States, the rest of Europe and beyond.

## 4. Executive Summary and Highlights

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This **UK Search Engine Marketing Report**, produced by E-consultancy in association with Neutralize (\*\\*), is based on the findings of a survey of 744 respondents carried out in March 2007.

The key findings of the research were as follows:

### 4.1 Type of Search Activity and Search Services

- Just under half of respondents (48%) said that their companies carry out paid search exclusively in-house. Some 27% of respondents carry out all their **paid search activity** via an agency, with a further 14% using both in-house and agency resources.
- In terms of **search engine optimisation** (SEO), 57% of respondents do this exclusively in-house. Only 13% use an agency exclusively, while a quarter do SEO both in-house and with the help of an agency (26%).
  - Companies are equally likely to use agencies for paid search as they are for SEO, but SEO is more likely to be shared between in-house and external resources.
- Agency respondents said that their agencies are more likely to focus on SEO than paid search. A third (32%) focus on SEO compared to 14% who focus on PPC.
  - Just under half of agency respondents focus on SEO and PPC equally (48%).
- The four **paid search services** most commonly used by companies using agencies are as follows:

○ Keyword research	(50%)
○ ROI tracking and analysis	(47%)
○ Automated bid management	(33%)
○ Landing page optimisation	(31%)
- The four **SEO agency services** which responding companies are most likely to be using are as follows:

○ Position monitoring	(41%)
○ Keyword research	(40%)
○ Search strategy definition	(36%)
○ Site technical audit	(34%)
- Organisations were asked about the extent they were involved in the following areas: Vertical Search, Local Search, Mobile Search, Pay-per-Call, Social Search Optimisation, Shopping Comparison Sites / Feeds.

- Of those listed above, **vertical Search** is the activity which respondents are most likely to be using now or to have tested in the past (a total of 30%).
- In terms of what companies are *planning*, **local search** (28% of respondents) and **social search optimisation** (27%) are the areas most likely to be on the agenda.
- A total of 77% of company respondents said either that **mobile search** was “*not on the radar yet*” (43%) or that they had no plans to use this (34%).

## 4.2 Search Budgets

- On average, company respondents say that they spend 32% of their **total marketing budget** on online marketing.
- On average, company respondents say they spend a third of their online marketing budget on **Search** (32%). Agency respondents report a similar proportion of budget going to search engine marketing (31%).
- On average, 61% of search engine marketing budget is spent on paid search and 33% is spent on SEO.
- Some 56% of UK respondents said that their companies spend more than £10,000 annually on paid search. A quarter of UK respondents (25%) reported spending of more than £100,000 annually.
- About two thirds of respondents said their companies would be increasing their budgets in the next 12 months for both **paid search** (65%) and **SEO** (64%).
- **Online display advertising** is the area where budgets are most likely to be decreasing with 10% of respondents saying that spending will be less.
- The percentages of UK respondents increasing their budgets (for search and other channels) were as follows:

○ SEO:	62%
○ Paid Search:	60%
○ Email:	52%
○ Affiliate Marketing:	40%
○ Online Display Advertising:	34%
○ Mobile:	20%
- The majority of UK company respondents (53%) who said their **paid search** budgets were increasing indicated that the rise would be up to 20%.
  - A quarter of UK respondents (25%) said that the rise would be between 21% and 40%. A further 9% said the rise would be between 41% and 60%.



- For **SEO**, half of respondents (49%) said that budgets would increase by up to 20% and a further 23% said that the rise would be between 21% and 40%.

### 4.3 Objectives and Effectiveness

- Respondents were asked to indicate their primary objectives from search engine marketing. For **paid search**, similar numbers of respondents indicated that **lead generation** (53%), **direct online sales** (53%) and **driving traffic** (51%) were primary objectives. A third of respondents (32%) said that **branding** was a primary objective of PPC.
- For **SEO**, **driving traffic** was most commonly cited as an objective (65%) followed by **lead Generation** (51%) and **direct online sales** (49%).
  - Just over a third of respondents (36%) said that **branding** was a primary objective for SEO.
- Both company and agency respondents are more likely to believe that **SEO is more important than paid search in terms of impact on brand**.
  - Four out of 10 company respondents (39%) believe that paid search and SEO are equally important for the brand, 45% think that SEO is more important while only 16% think that paid search is more important.
- The **number of clicks / visitors** and **number of sales** are the two most commonly used methods for tracking return on investment for both paid search and SEO.
- The number of respondents who are *not* effectively tracking their ROI from search engine marketing outweighs the number of people who *are* doing so, both for paid search and for SEO.
- Four out of ten company search marketers (43%) do not know their return on investment from paid search and 61% do not know their ROI from SEO, the survey has shown.
  - For the UK specifically, the figures for those who don't know their ROI are 44% for paid search and 64% for SEO.
- For **paid search**, half of respondents who know their ROI say they are getting returns in excess of 300%. Just under a quarter of respondents (22%) say they are getting an ROI of 500% or more.
- For **SEO**, the returns can be even greater. Two thirds of respondents (68%) are getting a return in excess of 300%. Some 40% of respondents are getting a return of 500% or more.



- Some 43% of company search marketers said that **rising click costs** were significantly impacting their return on investment from search, compared to a quarter of respondents (25%) who said that this was not an issue.
  - Looking at just UK respondents, these percentages were 44% and 22% respectively.
- An analysis of both company and agency respondents' verbatim answers shows that the most commonly cited factors affecting return on investment from search engine marketing (including PPC and SEO) were, in order of frequency of citation:
  - Rising PPC costs
  - Increased competition
  - Poor conversion rates
  - Click fraud
  - Tracking of ROI and leads

#### 4.4 Search Engines

- Some 87% of search engine marketers surveyed said that their organisations paid to advertise on Google, compared to 45% for Yahoo!, 33% for MSN, 11% for MIVA and 6% for Ask.
- The overwhelming consensus from survey **company respondents** is that Google is the best search engine across the following five criteria: **return on investment, quality of traffic, volume of traffic, customer service** and **PPC management tools**.
- **Ratings for Search Engines – UK company respondents**

*(excluding 'don't knows')*

	Google	Yahoo!	MSN	Other
Return on investment	80%	8%	11%	1%
Quality of traffic	78%	11%	11%	1%
Volume of traffic	97%	2%	1%	1%
Customer service	84%	5%	10%	1%
PPC management tools	93%	4%	2%	1%

- Half of all **company respondents** (50%) and 54% of UK company respondents believe that Google has an unhealthy dominance of the UK search engine marketplace.
  - 60% of UK company respondents said that Google's dominance represented a risk of some sort (including low risk). Some 31% said that Google's dominance was 'a risk' (22%) or a 'high risk' (9%).

- Just over half of all **agency respondents** (51%) and 58% of *UK* agency respondents believe that Google has an unhealthy dominance of the UK search engine marketplace.
  - 63% of UK agency respondents said that Google's dominance represented a risk or some sort (including low risk). Some 27% said that Google's dominance was 'a risk' (25%) or a 'high risk' (2%).

#### 4.5 Search Problems and Issues

- According to company respondents, the biggest problems preventing **paid search marketing success** are as follows:
  - 1) Lack of internal resource (47%)
  - 2) Lack of budget (36%)
  - 3) Keywords too expensive (33%)
  - 4) Strength of competition (28%)
  - 5) Lack of know-how (27%)
- The biggest problems for company respondents in terms of **SEO** are:
  - 1) Lack of internal resource (55%)
  - 2) Lack of know-how (33%)
  - 3) Difficulty of implementation (28%)
  - 4) Lack of budget (27%)
  - 5) Strength of competition (24%)

## 5. Profile of Respondents

### 5.1 Type of respondent - Company or Agency marketers?

The split between **company respondents** ('client-side') and **agency respondents** was as follows:

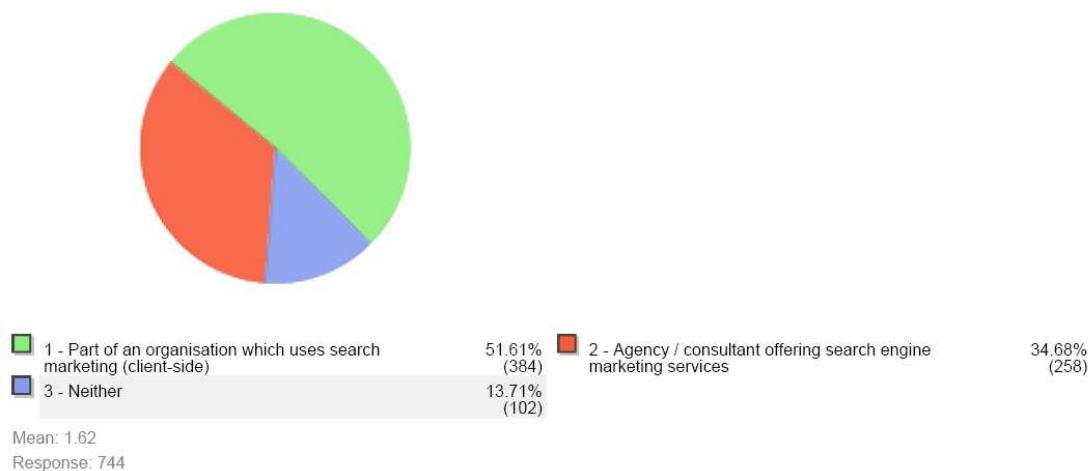
More than half of those who took part in the survey (384 respondents) work "for organisations using search engine marketing (client-side)", **i.e. company respondents.**

There were 258 respondents who described themselves as working for **agencies or consultancies** offering search services. This group therefore represents a third of the sample.

Just under 14% of the total sample (102 respondents) fell into neither category.

*Figure 1*

Which of the following most accurately describes your job role?



## 5.2 Number of Employees in Organisation

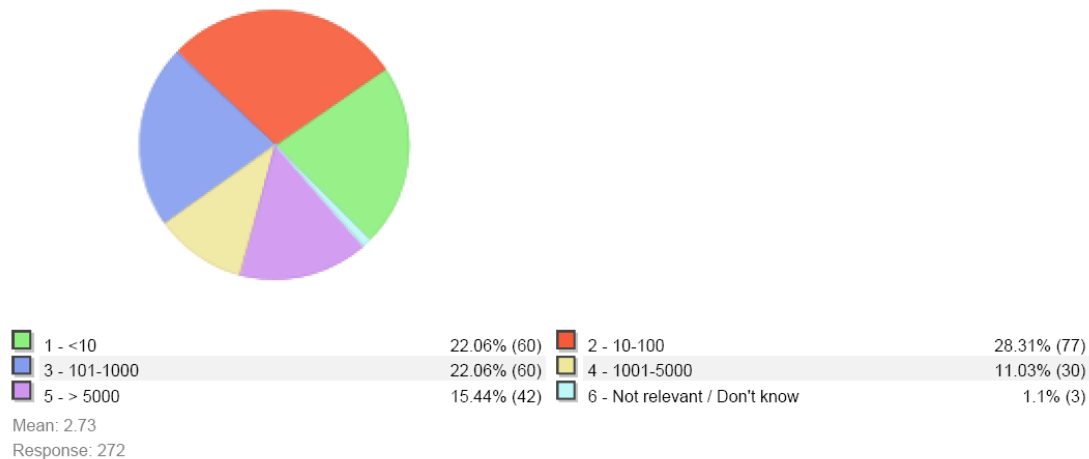
There was good split of company respondents across organisations of different sizes. Half work for companies with less than 100 people.

As one would expect, the vast majority of agency respondents work for organisations with less than 100 people [Figure 3].

### Company

Figure 2

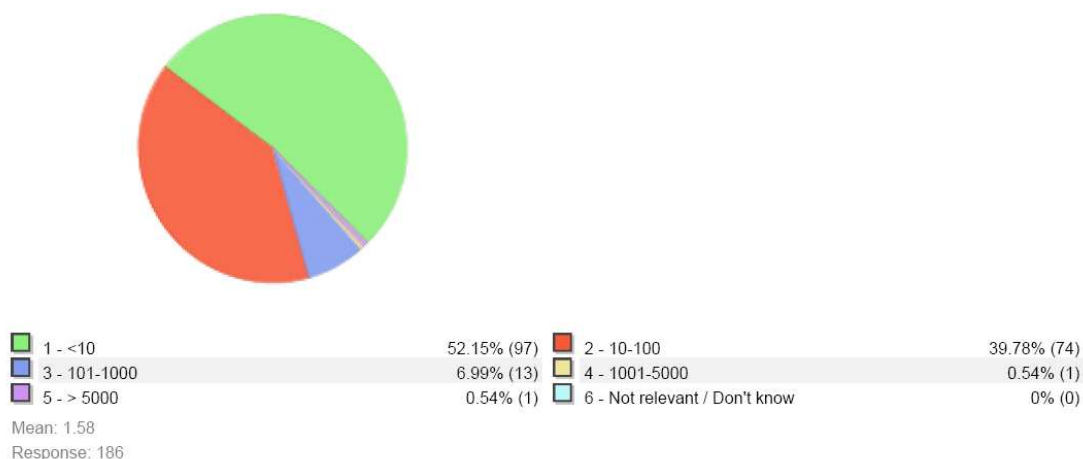
How many employees are there in your organisation?



### Agency

Figure 3

How many employees are there in your organisation?



### 5.3 Annual Company Turnover

In line with *Figure 2* above, *Figure 4* (for company respondents) shows that the different turnover bands are all fairly well represented.

#### Company

*Figure 4*

What is your annual company turnover?



1 - <£1 million	21.11% (57)	2 - £1-10 million	23.7% (64)
3 - £10-50 million	11.11% (30)	4 - £50-150 million	9.63% (26)
5 - >£150 million	22.96% (62)	6 - Not relevant / Don't know	11.48% (31)

Mean: 3.24

Response: 270

#### Agency

*Figure 5*

What is your annual company turnover?



1 - <£1 million	58.06% (108)	2 - £1-10 million	23.12% (43)
3 - £10 - 50 million	9.14% (17)	4 - £50-150 million	2.69% (5)
5 - >£150 million	0% (0)	6 - Not relevant / Don't know	6.99% (13)

Mean: 1.84

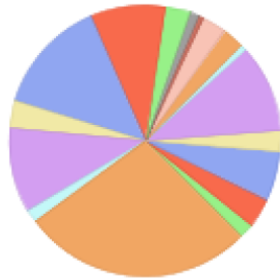
Response: 186

## 5.4 Business Sector

Company respondents work across a range of sectors. **Retail, Financial Services, Travel** and **Publishing** are the best represented.

*Figure 6*

In which business sector is your organisation? (Answer required)



1 - Automotive	1.81% (5)	2 - Charity	3.61% (10)
3 - Consultancy / Marketing Services	5.78% (16)	4 - Entertainment	2.53% (7)
5 - Financial Services (including insurance)	10.47% (29)	6 - FMCG	0.72% (2)
7 - Gaming	2.53% (7)	8 - Healthcare	2.89% (8)
9 - Pharmaceuticals	0.72% (2)	10 - Property	1.08% (3)
11 - Public Sector	2.89% (8)	12 - Publishing	9.03% (25)
13 - Retail	13.72% (38)	14 - Telecoms / mobile phones	3.25% (9)
15 - Travel	10.11% (28)	16 - Utilities & Energy	1.44% (4)
17 - Other	27.44% (76)		

Mean: 11.56

Response: 277

## 5.5 Geography

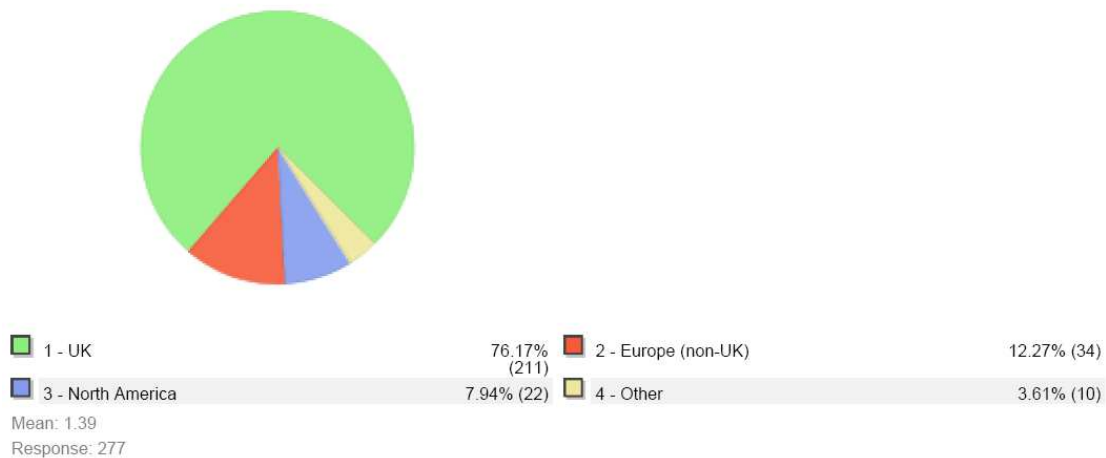
The vast majority of company respondents are based in the UK (76%). Some 12% are based elsewhere in Europe and a further 8% are from North America.

The split for agency respondents is very similar, although it is slightly less UK-dominated.

### Company

*Figure 7*

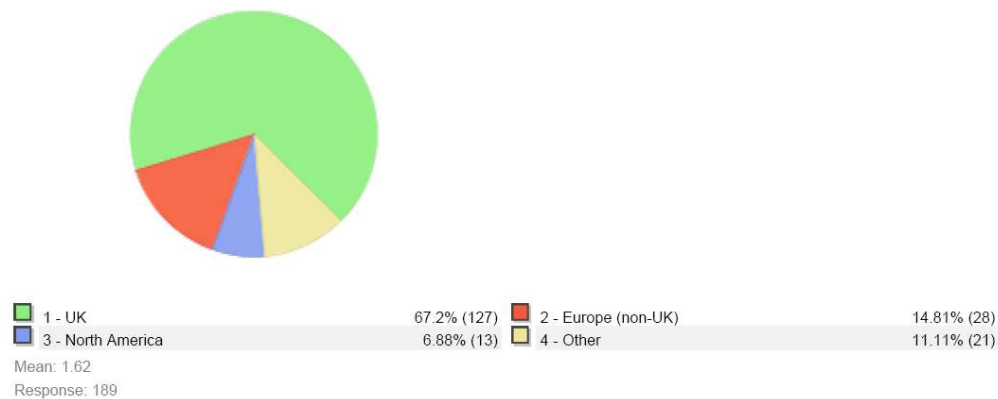
In which country/region are you (personally) based? (Answer required)



### Agency

*Figure 8*

In which country/region are you (personally) based? (Answer required)





## 6. Findings

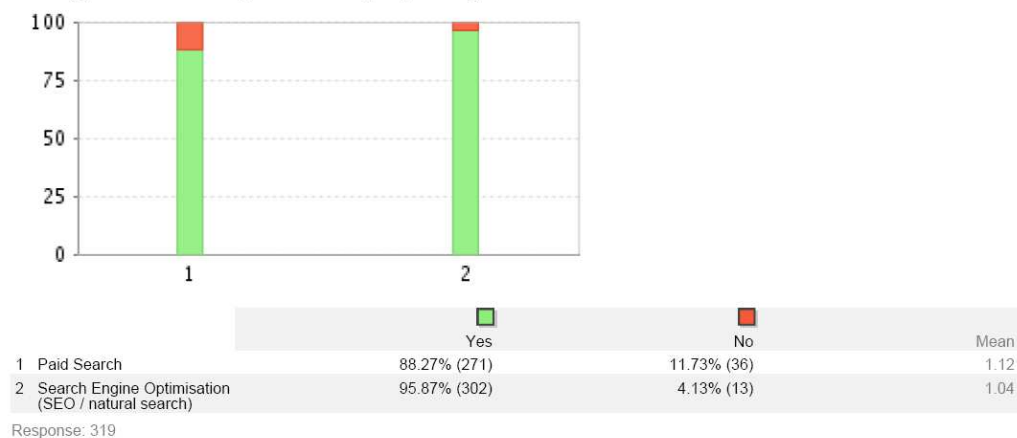
### 6.1 Type of Search Activity and Search Services

#### 6.1.1 What types of search activity is your organisation involved in? (Search Engine Optimisation / Paid Search)?

Figure 9 shows that the overwhelming majority of company respondents work for organisations involved with both paid search and search engine optimisation (SEO)

Figure 9

What types of Search Engine Marketing is your organisation involved in?



### Paid Search - Breakdown by Geography

Figure 10

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 2. What types of Search Engine Marketing is your organisation involved in? (Paid Search)

	Yes	No	Total
UK	89% (178)	11% (22)	200
Europe (non-UK)	82.35% (28)	17.65% (6)	34
North America	90.91% (20)	9.09% (2)	22
Other	80% (8)	20% (2)	10
Total	234	32	266

### Search Engine Optimisation - Breakdown by Geography

Figure 11

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 2. What types of Search Engine Marketing is your organisation involved in? (Search Engine Optimisation (SEO / natural search))

	Yes	No	Total
UK	97.12% (202)	2.88% (6)	208
Europe (non-UK)	90.91% (30)	9.09% (3)	33
North America	90.48% (19)	9.52% (2)	21
Other	100% (10)	0% (0)	10
Total	261	11	272

### 6.1.2 Is Search done in-house or by an agency?

Just under half of respondents (48%) said that their companies carry out **paid search** exclusively in-house. Some 27% of respondents do all their paid search via an agency, with a further 14% using both in-house and agency resources.

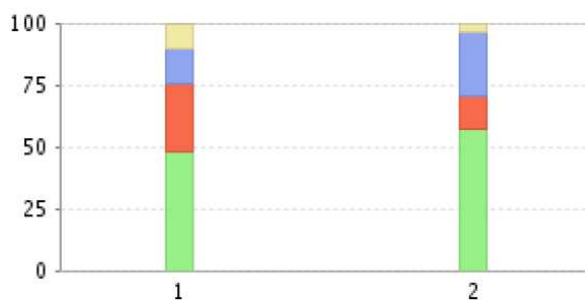
In terms of **search engine optimisation** (SEO), 57% of respondents do this exclusively in-house. Only 13% use an agency exclusively, while a quarter do SEO both in-house and with the help of an agency (26%).

Companies are equally likely to use agencies for paid search as they are for SEO, but SEO is more likely to be shared between in-house and external resources.

Figures 13 and 14 shows a breakdown of this information by geographic region (for both paid search and SEO).

Figure 12

Do you carry out your Search Engine Marketing in-house or via an agency?



	In-house	Agency	Both	Neither	Mean
1 Paid Search	48.38% (149)	26.95% (83)	13.96% (43)	10.71% (33)	1.87
2 Search Engine Optimisation	57.19% (179)	13.42% (42)	25.88% (81)	3.51% (11)	1.76

Response: 319

### In-house or Agency? - Breakdown by Geography for Paid Search

Figure 13

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 3. Do you carry out your Search Engine Marketing in-house or via an agency? (Paid Search)

	In-house	Agency	Both	Neither	Total
UK	48% (96)	29.5% (59)	13% (26)	9.5% (19)	200
Europe (non-UK)	35.29% (12)	26.47% (9)	20.59% (7)	17.65% (6)	34
North America	68.18% (15)	4.55% (1)	18.18% (4)	9.09% (2)	22
Other	40% (4)	20% (2)	30% (3)	10% (1)	10
Total	127	71	40	28	266

## In-house or Agency? - Breakdown by Geography for SEO

Figure 14

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 3. Do you carry out your Search Engine Marketing in-house or via an agency? (Search Engine Optimisation)

	In-house	Agency	Both	Neither	Total
UK	56.73% (118)	12.5% (26)	28.85% (60)	1.92% (4)	208
Europe (non-UK)	51.61% (16)	12.9% (4)	29.03% (9)	6.45% (2)	31
North America	68.18% (15)	13.64% (3)	13.64% (3)	4.55% (1)	22
Other	50% (5)	10% (1)	40% (4)	0% (0)	10
Total	154	34	76	7	271

Figure 15 below shows that the largest organisations (i.e. those with a turnover of more than £150 million) are the most likely to use an agency for **paid search**, with more than half of these organisations (52%) completely outsourcing their PPC.

In contrast, the vast majority of companies with a turnover of less than £1 million do their paid search in-house (some 79%).

The smallest companies are also the most likely to do their **SEO** exclusively in-house (Figure 16). Excluding the companies with a turnover of less than £1 million, around half of organisations do their SEO exclusively in-house with the other half using an SEO agency, either exclusively or in conjunction with work carried out in-house.

## In-house or Agency? - Breakdown by Company Turnover (Paid Search)

Figure 15

- ↓ 51. What is your annual company turnover?  
 → 3. Do you carry out your Search Engine Marketing in-house or via an agency? (Paid Search)

	In-house	Agency	Both	Neither	Total
<£1 million	79.25% (42)	5.66% (3)	5.66% (3)	9.43% (5)	53
£1-10 million	49.21% (31)	15.87% (10)	20.63% (13)	14.29% (9)	63
£10-50 million	37.93% (11)	27.59% (8)	13.79% (4)	20.69% (6)	29
£50-150 million	36% (9)	28% (7)	24% (6)	12% (3)	25
>£150 million	29.03% (18)	51.61% (32)	12.9% (8)	6.45% (4)	62
Not relevant / Don't know	48.28% (14)	27.59% (8)	20.69% (6)	3.45% (1)	29
Total	125	68	40	28	261

## In-house or Agency?- Breakdown by Company Turnover (SEO)

Figure 16

- ↓ 51. What is your annual company turnover?  
 → 3. Do you carry out your Search Engine Marketing in-house or via an agency? (Search Engine Optimisation)

	In-house	Agency	Both	Neither	Total
<£1 million	77.19% (44)	14.04% (8)	7.02% (4)	1.75% (1)	57
£1-10 million	59.02% (36)	11.48% (7)	27.87% (17)	1.64% (1)	61
£10-50 million	50% (15)	10% (3)	36.67% (11)	3.33% (1)	30
£50-150 million	52% (13)	12% (3)	32% (8)	4% (1)	25
>£150 million	46.77% (29)	11.29% (7)	40.32% (25)	1.61% (1)	62
Not relevant / Don't know	46.67% (14)	13.33% (4)	33.33% (10)	6.67% (2)	30
Total	151	32	75	7	265

### 6.1.3 Plans to keep or change status quo (in-house or agency)

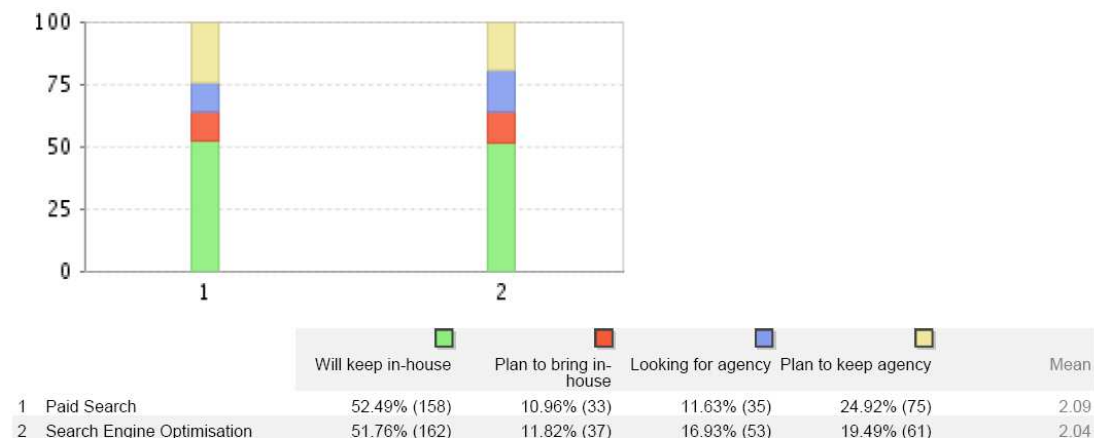
The vast majority of respondents say their organisations are happy with the *status quo* in terms of whether their search engine marketing is done in-house or via an agency (both for paid search and SEO).

The number of those respondents planning to bring **paid search** in-house is very similar to the number of those looking for an agency (11% and 12% respectively).

More respondents are looking for an agency for **SEO** (17%) than for **paid search** (12%).

Figure 17

Where relevant, what best describes your company's position with regard to Paid Search and SEO?



Response: 317

## In-house or Agency? (Paid Search) Plans to keep or change status quo - Breakdown by Geography

Figure 18

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 4. Where relevant, what best describes your company's position with regard to Paid Search and SEO? (Paid Search)

	Will keep in-house	Plan to bring in-house	Looking for agency	Plan to keep agency	Total
UK	51.78% (102)	10.66% (21)	12.69% (25)	24.87% (49)	197
Europe (non-UK)	50% (16)	9.38% (3)	6.25% (2)	34.38% (11)	32
North America	68.18% (15)	9.09% (2)	13.64% (3)	9.09% (2)	22
Other	50% (5)	30% (3)	10% (1)	10% (1)	10
Total	138	29	31	63	261

## In-house or Agency (SEO)? Plans to keep or change status quo - Breakdown by Geography

Figure 19

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 4. Where relevant, what best describes your company's position with regard to Paid Search and SEO? (Search Engine Optimisation)

	Will keep in-house	Plan to bring in-house	Looking for agency	Plan to keep agency	Total
UK	50.97% (105)	12.62% (26)	18.93% (39)	17.48% (36)	206
Europe (non-UK)	45.45% (15)	18.18% (6)	12.12% (4)	24.24% (8)	33
North America	54.55% (12)	0% (0)	18.18% (4)	27.27% (6)	22
Other	50% (5)	20% (2)	10% (1)	20% (2)	10
Total	137	34	48	52	271

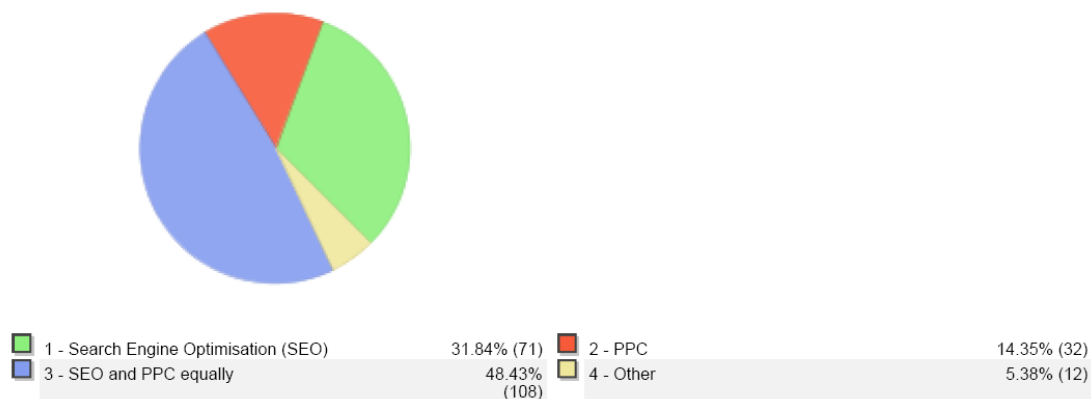
### 6.1.4 Agency focus (Paid Search and / or SEO?)

**Agency respondents** said that their agencies are more likely to focus on SEO than paid search. A third (32%) focus on SEO compared to 14% who focus on PPC.

Just under half of agency respondents focus on SEO and PPC equally (48%).

*Figure 20*

What area of Search is your main focus as an agency ?



Mean: 2.27  
Response: 223

### Agency Focus - Breakdown by Geography

*Figure 21*

- ↓ 61. In which country/region are you (personally) based? (Answer required)  
→ 7. What area of Search is your main focus as an agency ?

	Search Engine Optimisation (SEO)	PPC	SEO and PPC equally	Other	Total
UK	32.26% (40)	13.71% (17)	46.77% (58)	7.26% (9)	124
Europe (non-UK)	28.57% (8)	17.86% (5)	50% (14)	3.57% (1)	28
North America	30.77% (4)	7.69% (1)	61.54% (8)	0% (0)	13
Other	42.86% (9)	14.29% (3)	38.1% (8)	4.76% (1)	21
Total	61	26	88	11	186

### 6.1.5 Paid Search services offered by agencies

The four **paid search services** most commonly offered by agencies are as follows:

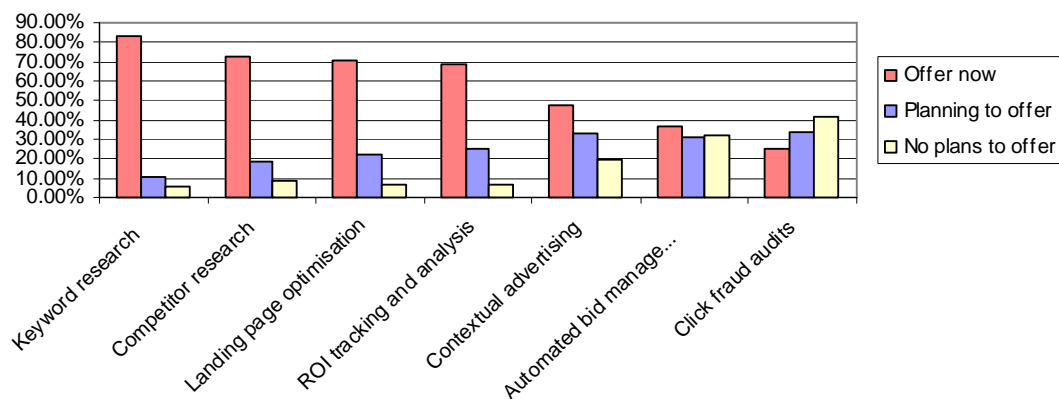
- 1) Keyword Research (83%)
- 2) Competitor Research (72%)
- 3) Landing page optimisation (71%)
- 4) ROI tracking and analysis (68%)

These are the paid search services which agencies are most likely to be *planning to offer* if they are not currently doing so:

- 1) Click fraud audits (34%)
- 2) Contextual advertising (33%)
- 3) Automated bid management (31%)
- 4) ROI tracking and analysis (25%)

*Figure 22*

**If you manage Paid Search for clients, which services do you offer or plan to offer?**



Response: 204



### 6.1.6 Paid Search services used by clients

The four **paid search services** most commonly used by companies using agencies are as follows:

- 1) Keyword research (50%)
- 2) ROI tracking and analysis (47%)
- 3) Automated bid management (33%)
- 4) Landing page optimisation (31%)

The four paid search services most likely to be on the radar (i.e. which companies are planning to use) are:

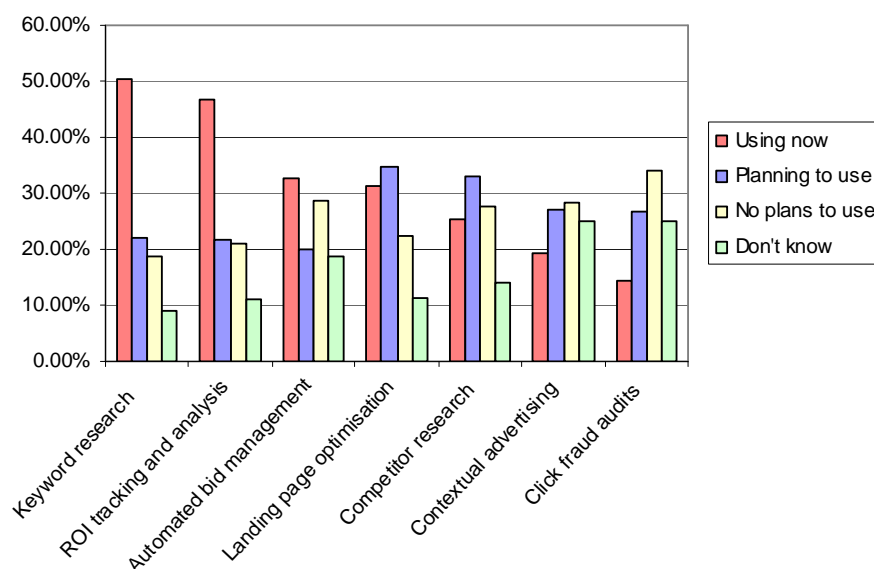
- 1) Landing page optimisation (35%)
- 2) Competitor research (33%)
- Joint 3) Contextual advertising (27%)
- Joint 3) Click fraud audits (27%)

**Landing page optimisation** has become increasingly important as a result of Google's landing page quality score which is factored into its PPC algorithm.

It is interesting to note that almost three quarters of agencies (71%) offer this kind of optimisation but less than a third of companies are currently using this service. However, this service is the most likely to be on the radar with 35% of company respondents saying they are planning to use this service.

*Figure 23*

**If you use an agency, what Paid Search services do you use or plan to use?**



Response: 216

### 6.1.7 SEO services offered by agencies

The most commonly offered **SEO services** are as follows:

- |                                   |       |
|-----------------------------------|-------|
| 1) Keyword research               | (92%) |
| 2) Search strategy definition     | (82%) |
| Joint 3) Landing page development | (81%) |
| Joint 3) Competitor research      | (81%) |

These are the SEO services which agencies are most likely to be *planning to offer* if they are not actually offering them at the moment:

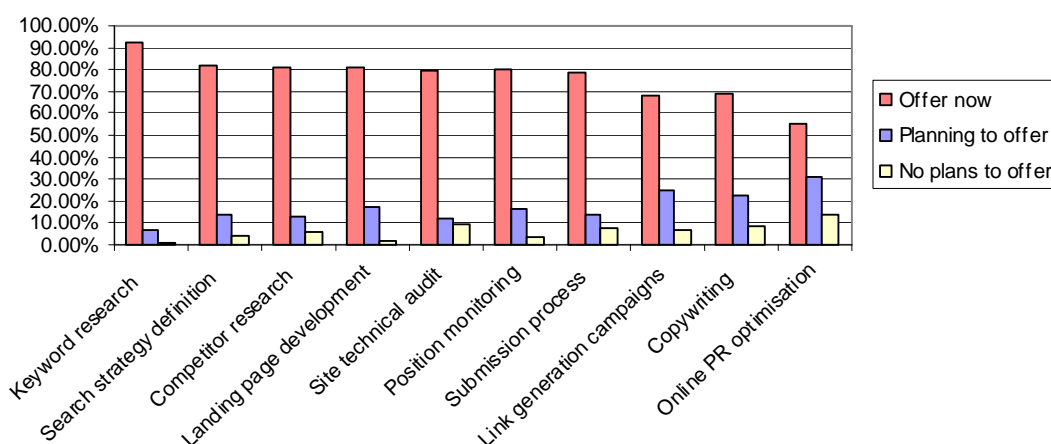
- |                              |       |
|------------------------------|-------|
| 1) Online PR optimisation    | (31%) |
| 2) Link generation campaigns | (25%) |
| 3) Copywriting               | (23%) |
| 4) Landing page development  | (17%) |

This is broadly in tune with what companies are planning to use [*Figure 25 below*].

It is noteworthy that **Online PR** is increasingly being offered by search agencies. The lines between Online PR and SEO have become very blurred. Most PR agencies are failing to embrace Online PR with the result that many search agencies are successfully filling this void.

Figure 24

**If you manage SEO for clients, which services do you offer or plan to offer?**



Response: 208

### 6.1.8 SEO services used by clients

The four **SEO agency services** which responding companies are most likely to be using are as follows:

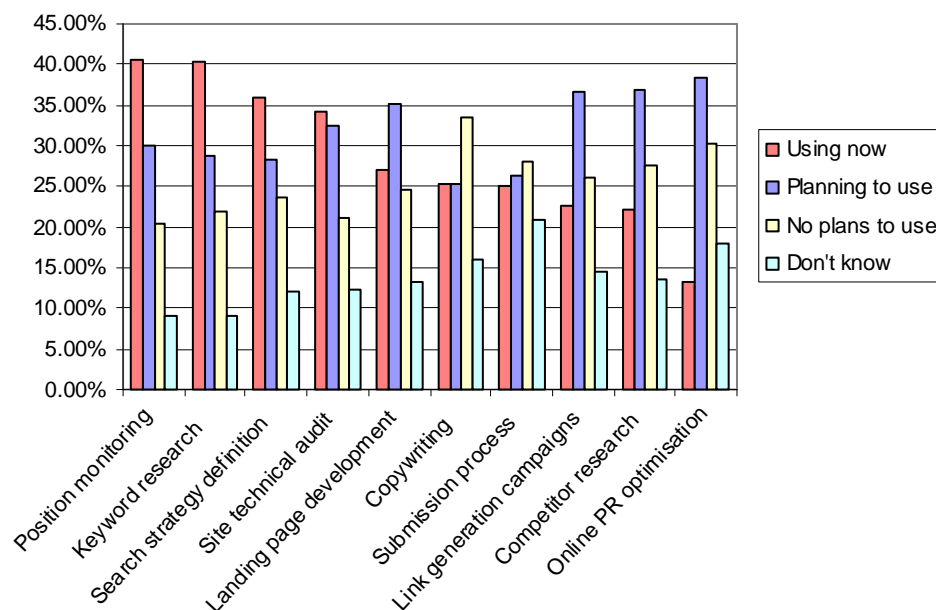
- 1) Position monitoring (41%)
- 2) Keyword research (40%)
- 3) Search strategy definition (36%)
- 4) Site technical audit (34%)

The four SEO services most likely to be on the radar (i.e. which companies *are planning to use*) are:

- 1) Online PR optimisation (38%)
- Joint 2) Competitor research (37%)
- Joint 2) Link generation campaigns (37%)
- 4) Landing page development (35%)

Figure 25

**If you use an agency, what SEO services do you use or plan to use?**



Response: 188

### 6.1.9 Search planning (vertical, local, mobile, pay-per-call, social search and shopping comparison)

Figure 26 looks at the extent to which organisations are involved in the following areas:

- Vertical Search
- Local Search
- Mobile Search
- Pay-per-Call
- Social Search Optimisation
- Shopping Comparison Sites / Feeds

**Vertical search** is the type of marketing which respondents are most likely to be using now or to have tested in the past (a total of 30%). In terms of what companies are *planning*, **local search** (28% of respondents) and **social search optimisation** (27%) are the areas most likely to be on the agenda.

A total of 77% of company respondents said either that **mobile search** was “not on the radar yet” (43%) or that they had no plans to use this (34%).

Is 2007 really the year of mobile marketing?

Agency respondents [Figure 27] report more widespread plans to use Mobile Search. Some 36% of agency respondents said their clients are typically planning to use Mobile Search. By comparison, only 19% of company respondents said they were planning to use this type of search.

#### Company

Figure 26

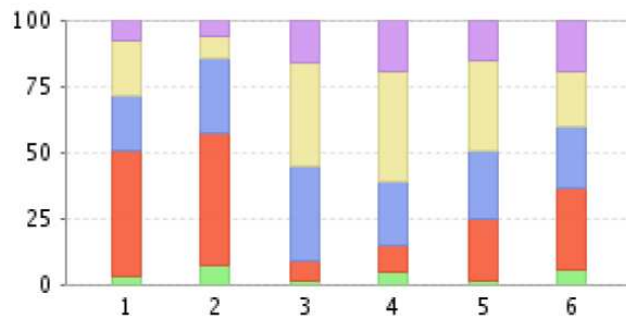
Which of the following areas is your organisation actively involved with or planning for?








Response: 275

**Agency***Figure 27*

Which of the following areas are your clients typically involved with or planning for?



						
		Tried in the past	Using now	Plan to use	Not on the radar yet	No plans to use
1	Vertical Search	3.43% (6)	47.43% (83)	20.57% (36)	20.57% (36)	8% (14)
2	Local Search	7.69% (14)	49.45% (90)	28.57% (52)	7.69% (14)	6.59% (12)
3	Mobile Search	1.69% (3)	7.34% (13)	35.59% (63)	39.55% (70)	15.82% (28)
4	Pay-per-Call	4.55% (8)	10.23% (18)	23.86% (42)	42.05% (74)	19.32% (34)
5	Social Search Optimisation	1.68% (3)	22.91% (41)	25.7% (46)	34.08% (61)	15.64% (28)
6	Shopping Comparison Sites / Feeds	5.59% (10)	30.73% (55)	23.46% (42)	20.67% (37)	19.55% (35)

Response: 185

## 6.2 Search Budget

### 6.2.1 Percentage of total marketing budget spent online

On average, company respondents say that they spend 32% of their total marketing budget on online marketing.

According to agency respondents [*Figure 30*], their clients typically spend 22% of their total marketing budget on online marketing (significantly lower than is reported by company respondents).

#### Company

*Figure 29*

**Of your total marketing budget, what percentage is spent on online marketing?**

Average	32.38%
Highest	100%
Lowest	0%
Standard Deviation	31.57

Response: 307

#### Agency

*Figure 30*

**Of your clients' total marketing budget, what percentage is typically spent on online marketing?**

Average	21.91%
Highest	100%
Lowest	0%
Standard Deviation	20.68

Response: 211

### 6.2.2 Percentage of online marketing budget spent on search

On average, company respondents say they spend a third of their online marketing budget on Search (32%). Agency respondents [*Figure 32*] report a similar proportion of budget going to search engine marketing (31%).

There is a discrepancy here with figures released by the UK Internet Advertising Bureau (IAB) and PwC which said that paid search accounted for 57.8% of the UK's online ad spend last year. It is worth noting that the IAB figures refer specifically to media spend.

#### Company

*Figure 31*

**What percentage of your overall online marketing budget goes to Search Engine Marketing?**

Average	32.17%
Highest	100%
Lowest	0%
Standard Deviation	32.55

Response: 307

#### Agency

*Figure 32*

**What percentage of your clients' overall online marketing budget typically goes to Search Engine Marketing?**

Average	30.74%
Highest	100%
Lowest	0%
Standard Deviation	28.54

Response: 211



### 6.2.3 Search Engine Marketing budget split (Paid Search and SEO)

**Company respondents** reported a much higher proportion of spending on natural search than anticipated. On average, 61% of search budget is spent on paid search and 33% is spent on SEO.

Previous research from E-consultancy and other sources has suggested that SEO represents between 10% and 20% of total search engine marketing spend.

There is a big overlap between what might be described as broader website development and SEO, which may partly explain a higher proportion of budget for natural search than expected.

The comparison between SEO and PPC is interesting though admittedly artificial because it constitutes something of an “*apples and pears*” comparison, with money being spent and accounted for differently across these two areas of online marketing.

For **agency respondents** reporting on clients’ typical search budgets [Figure 34], the percentages were 52% for paid Search and 43% for SEO.

*Please also note that respondents were not forced to make the two percentages add up to 100%, explaining why the columns below do not add up to 100.*

**Company** *Figure 33*

Approximately if necessary, how is your search marketing budget split?

	Paid Search	SEO (natural search)
Average	61.4%	32.83%
Highest	100%	100%
Lowest	0%	0%
Standard Deviation	33.65	32.03

Response: 267

**Agency** *Figure 34*

How is a client's search marketing budget typically split?

	Paid Search	SEO
Average	52.42%	43.29%
Highest	100%	100%
Lowest	0%	0%
Standard Deviation	28.68	27.82

Response: 200

## 6.2.4 Search Engine Marketing spend

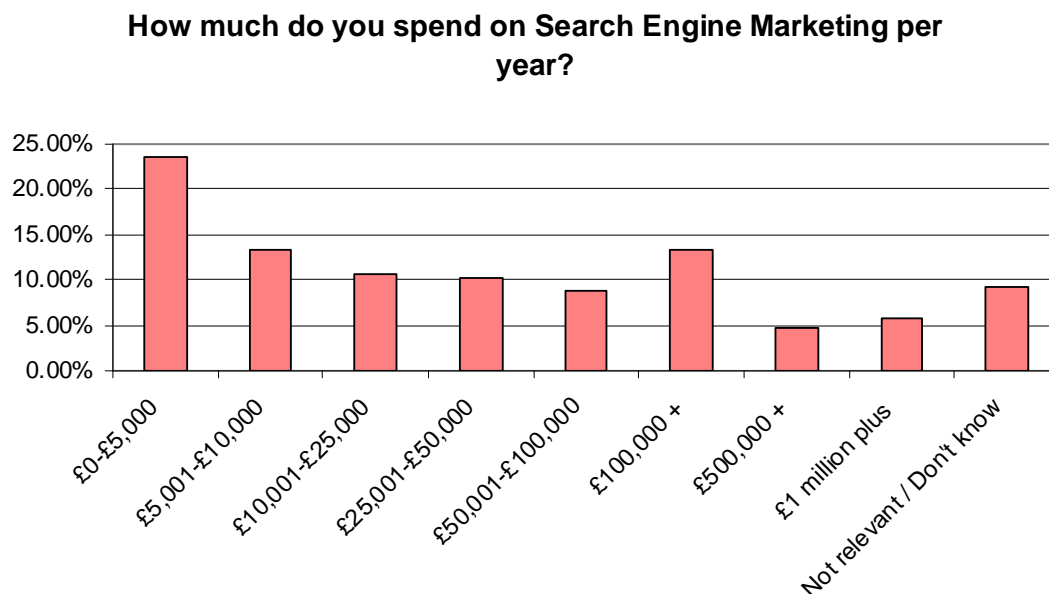
Figure 35 below shows how much is being spent on search engine marketing, with a further breakdown by geography [Figure 36] and by company turnover [Figure 37]. For a breakdown by **selected business sectors**, see Appendix 7.1.

More than half of company respondents (54%) said that their companies spend in excess of £10,000 on paid search annually.

Looking at the UK only [Figure 36], 56% of respondents said that their companies spend more than £10,000 annually on paid search. A quarter of UK respondents (25%) reported spending of more than £100,000 annually.

### Company

Figure 35



Response: 292

## Search Engine Marketing Spend - Breakdown by Geography

Figure 36

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 15. How much do you spend on Search Engine Marketing per year?

	£0-£5,000	£5,001-£10,000	£10,001-£25,000	£25,001-£50,000	£50,001-£100,000	£100,000 +	£500,000 +	£1 million plus	Not relevant / Don't know	Total
UK	23.33% (49)	12.38% (26)	10.48% (22)	11.43% (24)	9.52% (20)	12.86% (27)	6.19% (13)	5.71% (12)	8.1% (17)	210
Europe (non-UK)	8.82% (3)	14.71% (5)	11.76% (4)	8.82% (3)	8.82% (3)	23.53% (8)	0% (0)	5.88% (2)	17.65% (6)	34
North America	28.57% (6)	19.05% (4)	4.76% (1)	9.52% (2)	4.76% (1)	4.76% (1)	4.76% (1)	14.29% (3)	9.52% (2)	21
Other	60% (6)	0% (0)	10% (1)	10% (1)	10% (1)	0% (0)	0% (0)	0% (0)	10% (1)	10
Total	64	35	28	30	25	36	14	17	26	275

## Search Engine Marketing Spend - Breakdown by Company Turnover

Figure 37

- ↓ 51. What is your annual company turnover?  
→ 15. How much do you spend on Search Engine Marketing per year?

	£0- £5,000	£5,001- £10,000	£10,001- £25,000	£25,001- £50,000	£50,001- £100,000	£100,000 +	£500,000 +	£1 million plus	Not relevant / Don't know	Total
<£1 million	54.39% (31)	17.54% (10)	10.53% (6)	10.53% (6)	5.26% (3)	0% (0)	0% (0)	0% (0)	1.75% (1)	57
£1-10 million	28.12% (18)	18.75% (12)	10.94% (7)	7.81% (5)	10.94% (7)	12.5% (8)	3.12% (2)	1.56% (1)	6.25% (4)	64
£10-50 million	16.67% (5)	10% (3)	13.33% (4)	16.67% (5)	10% (3)	13.33% (4)	3.33% (1)	6.67% (2)	10% (3)	30
£50-150 million	11.54% (3)	7.69% (2)	7.69% (2)	30.77% (8)	11.54% (3)	15.38% (4)	3.85% (1)	7.69% (2)	3.85% (1)	26
>£150 million	4.84% (3)	6.45% (4)	6.45% (4)	6.45% (4)	12.9% (8)	27.42% (17)	12.9% (8)	19.35% (12)	3.23% (2)	62
Not relevant / Don't know	9.68% (3)	9.68% (3)	9.68% (3)	6.45% (2)	3.23% (1)	9.68% (3)	6.45% (2)	0% (0)	45.16% (14)	31
Total	63	34	26	30	25	36	14	17	25	270

### 6.2.5 Do you expect budgets to increase or decrease?

Figure 38 shows that paid search and SEO are the areas of online marketing where companies are most likely to increase their budgets over the next year. About two thirds of respondents said their companies would be increasing their budgets in the next 12 months for both **paid search** (65%) and **SEO** (64%).

Looking at UK respondents specifically [Figures 39-44] the percentage of respondents who said that their organisations were increasing their budgets (for the following areas of online marketing) were:

SEO:	62%
Paid Search:	60%
Email:	52%
Affiliate Marketing:	40%
Online Display Advertising:	34%
Mobile:	20%

[For a breakdown by **selected business sectors**, see Appendix 7.2.]

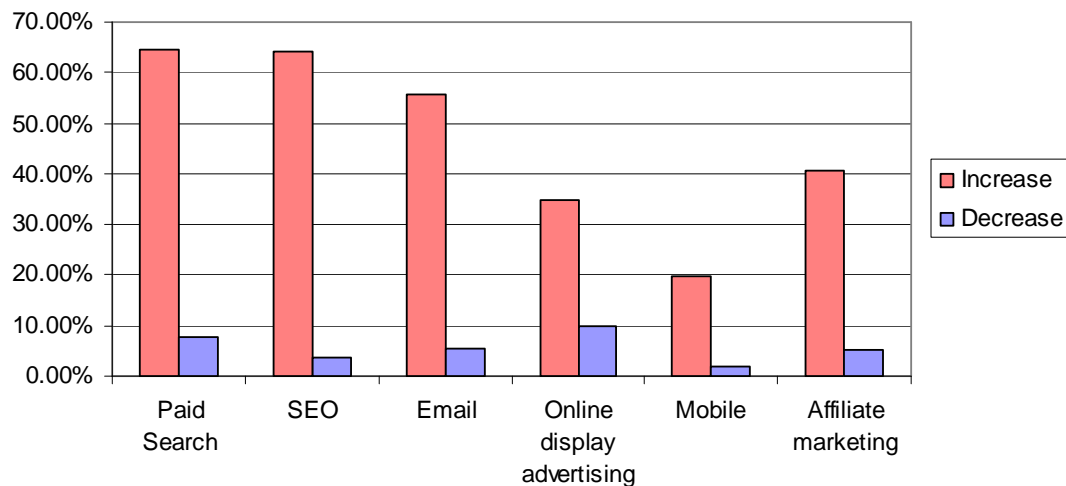
**Online display advertising** is the area where budgets are most likely to be decreasing with 10% of respondents saying that spending will become less. (This figure is 11% for the UK). It is also worth noting that there is no sign yet of an explosion in **mobile** marketing budgets.

These findings are in line with our recent **Online Lead Generation**<sup>1</sup> report which found that Paid Search and SEO were the online marketing channels getting the biggest share of lead generation budget (and were the channels deemed to be the most effective).

<sup>1</sup> E-consultancy Online Lead Generation (B2C) Report, in association with Clash-Media.  
<http://www.e-consultancy.com/publications/online-lead-generation/>

**Company***Figure 38*

**Do you expect your budgets to increase or decrease in the next 12 months?**



Response: 294

**Budget increase or decrease? - Breakdown by Geography (Paid Search)**

*Figure 39*

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 16. Do you expect your budgets to increase or decrease in the next 12 months? (Paid Search)

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
UK	60.1% (125)	24.52% (51)	10.1% (21)	5.29% (11)	208
Europe (non-UK)	71.88% (23)	21.88% (7)	0% (0)	6.25% (2)	32
North America	90.48% (19)	4.76% (1)	0% (0)	4.76% (1)	21
Other	80% (8)	10% (1)	10% (1)	0% (0)	10
Total	175	60	22	14	271

**Budget increase or decrease? - Breakdown by Geography (SEO)**

*Figure 40*

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 16. Do you expect your budgets to increase or decrease in the next 12 months? (SEO)

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
UK	62.14% (128)	28.16% (58)	4.85% (10)	4.85% (10)	206
Europe (non-UK)	75% (24)	25% (8)	0% (0)	0% (0)	32
North America	76.19% (16)	19.05% (4)	0% (0)	4.76% (1)	21
Other	50% (5)	40% (4)	10% (1)	0% (0)	10
Total	173	74	11	11	269

## Budget increase or decrease? - Breakdown by Geography (Email)

Figure 41

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 16. Do you expect your budgets to increase or decrease in the next 12 months? (Email)

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
UK	52.2% (107)	34.15% (70)	6.34% (13)	7.32% (15)	205
Europe (non-UK)	66.67% (22)	24.24% (8)	9.09% (3)	0% (0)	33
North America	71.43% (15)	23.81% (5)	0% (0)	4.76% (1)	21
Other	60% (6)	40% (4)	0% (0)	0% (0)	10
Total	150	87	16	16	269

## Budget increase or decrease? - Breakdown by Geography (Online Display Advertising)

Figure 42

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 16. Do you expect your budgets to increase or decrease in the next 12 months? (Online display advertising)

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
UK	33.99% (69)	28.57% (58)	11.33% (23)	26.11% (53)	203
Europe (non-UK)	28.12% (9)	46.88% (15)	6.25% (2)	18.75% (6)	32
North America	42.11% (8)	26.32% (5)	10.53% (2)	21.05% (4)	19
Other	70% (7)	10% (1)	0% (0)	20% (2)	10
Total	93	79	27	65	264

## Budget increase or decrease? - Breakdown by Geography (Mobile)

Figure 43

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 16. Do you expect your budgets to increase or decrease in the next 12 months? (Mobile)

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
UK	19.7% (39)	14.14% (28)	1.52% (3)	64.65% (128)	198
Europe (non-UK)	21.88% (7)	18.75% (6)	6.25% (2)	53.12% (17)	32
North America	16.67% (3)	38.89% (7)	0% (0)	44.44% (8)	18
Other	20% (2)	20% (2)	0% (0)	60% (6)	10
Total	51	43	5	159	258

## Budget increase or decrease? - Breakdown by Geography (Affiliate Marketing)

Figure 44

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
UK	39.6% (80)	18.32% (37)	4.95% (10)	37.13% (75)	202
Europe (non-UK)	50% (16)	25% (8)	3.12% (1)	21.88% (7)	32
North America	35% (7)	30% (6)	0% (0)	35% (7)	20
Other	40% (4)	10% (1)	20% (2)	30% (3)	10
Total	107	52	13	92	264

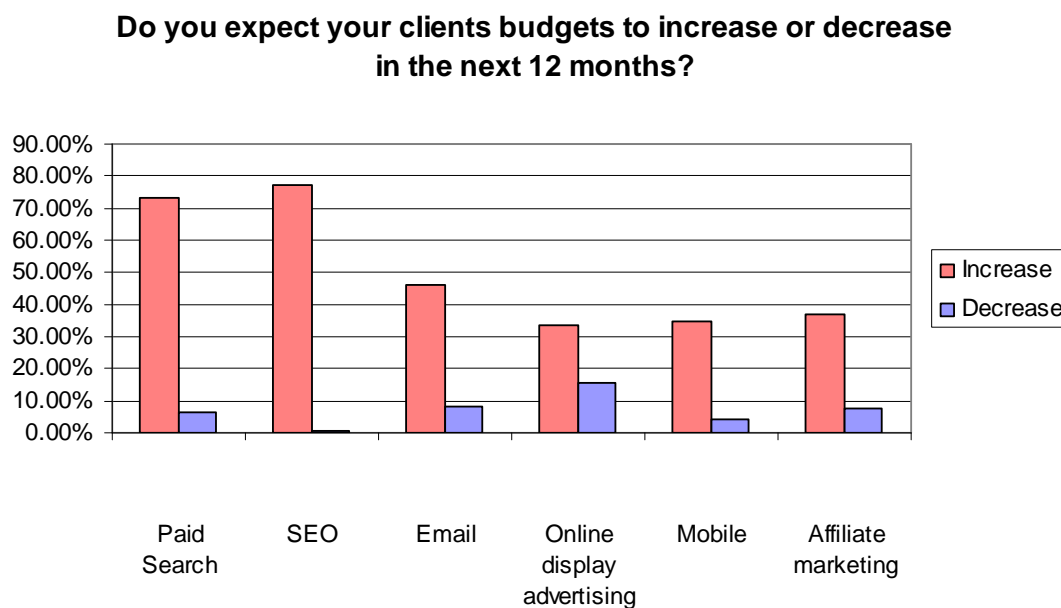
*Figure 45* gives the **agency perspective** which shows an even more positive outlook for paid search and SEO, suggesting that there are busy times ahead for search agencies.

Again, paid search and SEO are the areas of online marketing where most respondents believe that there will be an increase in the level of their clients' spending.

As above, **online display advertising** is the area where most respondents say that there will be a decrease in spending (16%).

## Agency

*Figure 45*



*Response: 205*

### 6.2.6 Level of Search budget increases

The majority of UK company respondents (53%) who said their **paid search** budgets were increasing indicated that the rise would be up to 20% [*Figure 47*]. A quarter of UK respondents (25%) said that the rise would be between 21% and 40%. A further 9% said the rise would be between 41% and 60%.

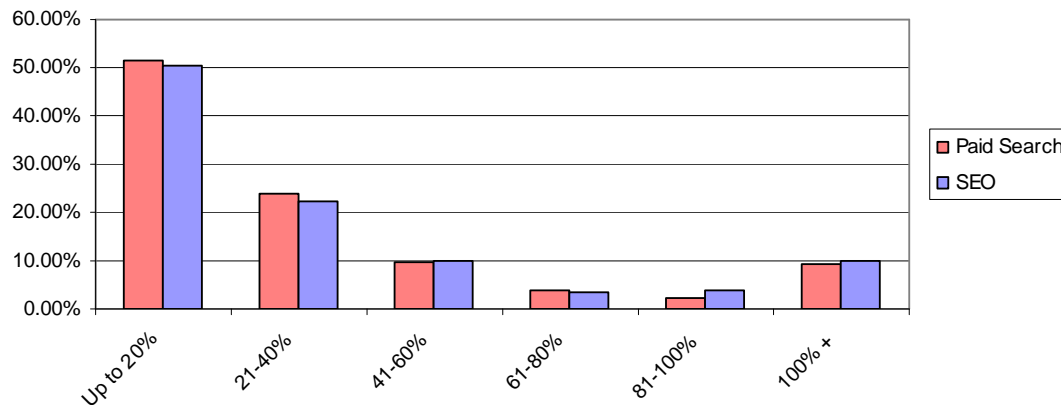
For SEO [*Figure 48*], half of respondents (49%) said that budgets would increase by up to 20% and a further 23% said that the rise would be between 21% and 40%.

[For a breakdown by **selected business sectors**, see *Appendix 7.3*.]

## Company

Figure 46

If they are increasing, by how much do you expect your search budgets to go up in the next 12 months?



Response: 241

## Level of Search Budget Increases (Paid Search) - Breakdown by Geography

Figure 47

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
→ 17. If they are increasing, by how much do you expect your search budgets to go up in the next 12 months? (Paid Search)

	Up to 20%	21-40%	41-60%	61-80%	81-100%	100% +	Total
UK	53.28% (65)	25.41% (31)	9.02% (11)	3.28% (4)	0.82% (1)	8.2% (10)	122
Europe (non-UK)	54.17% (13)	25% (6)	8.33% (2)	0% (0)	0% (0)	12.5% (3)	24
North America	61.11% (11)	11.11% (2)	11.11% (2)	5.56% (1)	0% (0)	11.11% (2)	18
Other	28.57% (2)	14.29% (1)	14.29% (1)	14.29% (1)	28.57% (2)	0% (0)	7
Total	91	40	16	6	3	15	171

## Level of Search Budget Increases (SEO) - Breakdown by Geography

Figure 48

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
→ 17. If they are increasing, by how much do you expect your search budgets to go up in the next 12 months? (SEO)

	Up to 20%	21-40%	41-60%	61-80%	81-100%	100% +	Total
UK	49.28% (68)	23.19% (32)	10.14% (14)	3.62% (5)	2.9% (4)	10.87% (15)	138
Europe (non-UK)	53.85% (14)	19.23% (5)	11.54% (3)	3.85% (1)	0% (0)	11.54% (3)	26
North America	58.82% (10)	23.53% (4)	5.88% (1)	0% (0)	0% (0)	11.76% (2)	17
Other	11.11% (1)	33.33% (3)	22.22% (2)	0% (0)	33.33% (3)	0% (0)	9
Total	93	44	20	6	7	20	190



## 6.3 Objectives and Effectiveness

### 6.3.1 Primary Search objectives

Respondents were asked to indicate their primary objectives from search engine marketing.

For **paid search**, similar numbers of respondents indicated that **lead generation** (53%), **direct online sales** (53%) and **driving traffic** (51%) were primary objectives. A third of respondents (32%) said that **branding** was a primary objective.

For **SEO**, **driving traffic** was most commonly cited as an objective (65%) followed by **lead generation** (51%) and **direct online sales** (49%).

Just over a third of respondents (36%) said that **branding** was a primary objective for SEO.

[For a breakdown by **selected business sectors**, see *Appendix 7.4*.]

*Please note that survey respondents were not limited in terms of the number of objectives they could indicate.*

**Company**

*Figure 49*

***What are your primary objectives from Search Engine Marketing?***

	Branding	Lead Generation	Direct Online Sales	Drive traffic	Not relevant / Don't know
<b>Paid Search</b>	32% (93)	53% (152)	53% (154)	51% (146)	2% (7)
<b>SEO</b>	36% (103)	51% (146)	49% (141)	65% (188)	2% (8)

*Response: 289*

### 6.3.2 Relative importance of Paid Search and SEO on brand

Figure 50 and Figure 51 below show that both company and agency respondents are more likely to believe that SEO is more important than paid search in terms of impact on brand.

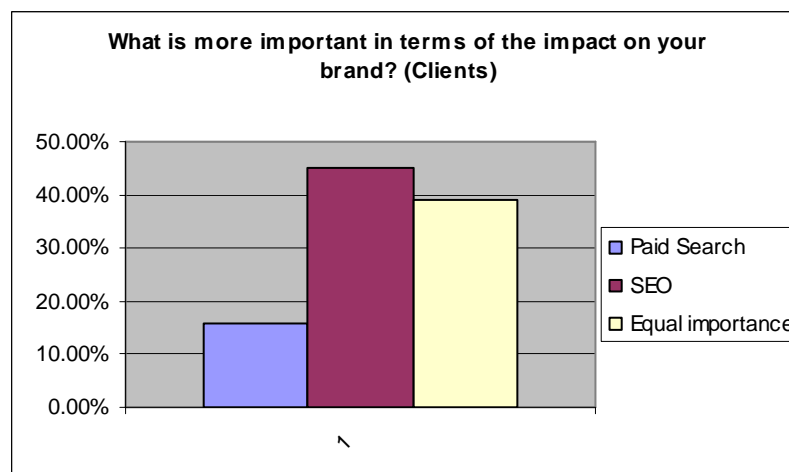
Four out of 10 company respondents (39%) believe that paid search and SEO are equally important for the brand, 45% think that SEO is more important while only 16% think that paid search is more important.

Only 8% of agency respondents think that paid search is more important than SEO in terms of impact on brand.

[For a breakdown by **selected business sectors**, see *Appendix 7.5*.]

#### Company

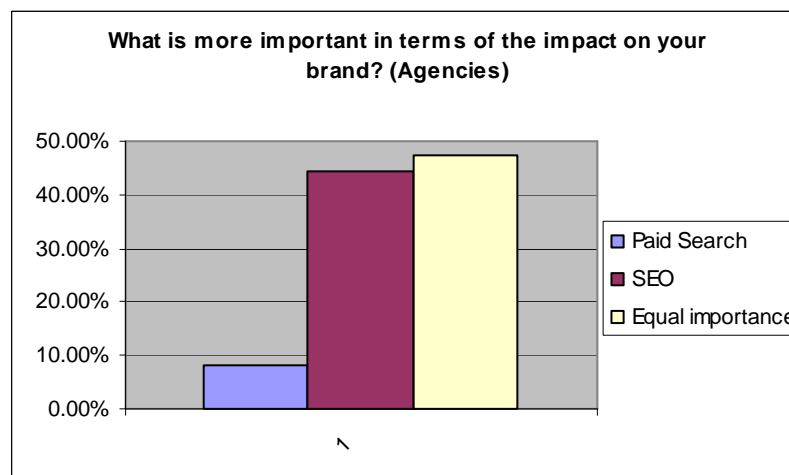
Figure 50



Response: 286

#### Agency

Figure 51



Response: 194

### 6.3.3 Tracking return on investment (ROI) from Search

The **number of clicks / visitors** and **number of sales** are the two most commonly used methods for tracking return on investment for both paid search and SEO [Figure 52]:

In order, the top four methods for tracking **paid search ROI** (with percentages) are:

- 1) Clicks / visitors (65% of respondents)
- 2) Number of sales (55%)
- 3) Value of sales (41%)
- 4) Leads (37%)

The top four methods for tracking **SEO return on investment** are:

- 1) Clicks / visitors (65%)
- 2) Number of sales (43%)
- 3) Leads (33%)
- 4) Position / Branding (32%)

[For a breakdown by **selected business sectors**, see Appendix 7.6.]

*Please note that survey respondents were not limited in terms of the number of objectives they could indicate.*

#### **How do you track return on investment from search?**

**Company**

*Figure 52*

	Paid Search	SEO
No tracking	9% (25)	10% (28)
Clicks / visitors	65% (187)	65% (186)
Position / branding	22% (63)	32% (91)
Number of sales	55% (158)	43% (123)
Value of sales	41% (117)	31% (88)
Leads	37% (105)	33% (95)
Lifetime value	14% (39)	10% (29)
Profit margin	19% (55)	15% (43)
Page impressions	23% (67)	25% (73)
Telephone calls	13% (37)	11% (33)

Response: 287

### 6.3.4 Effectiveness of ROI tracking

The number of respondents who are *not* effectively tracking their ROI from search engine marketing outweighs the number of people who *are* doing so, both for paid search and for SEO.

Two thirds of company respondents (66%) said that they were *not* effectively tracking ROI from **natural search (SEO)** compared to 23% who are managing to do so.

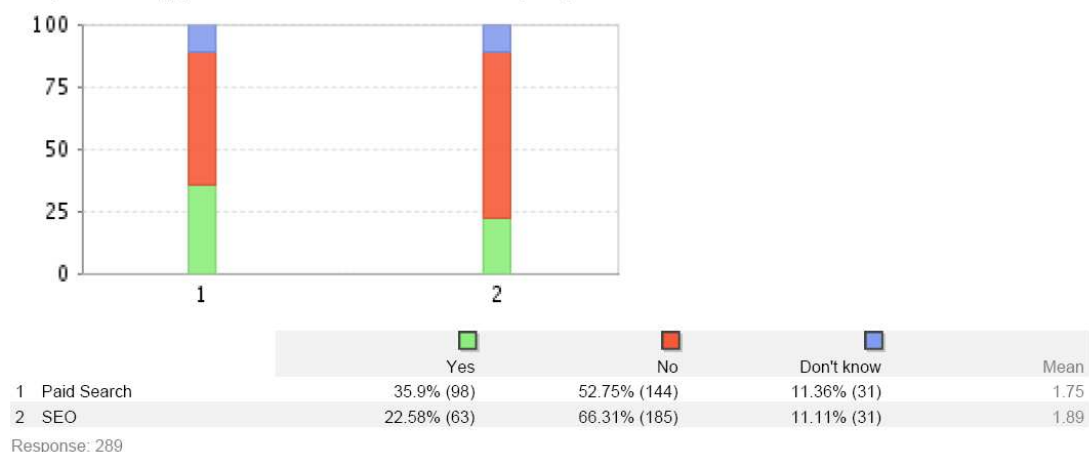
For **paid search**, 53% of company respondents are failing to track effectively, compared to 36% who are.

The results for agency respondents (commenting on their 'typical clients') is very similar, as shown by *Figure 54*.

#### Company

Figure 53

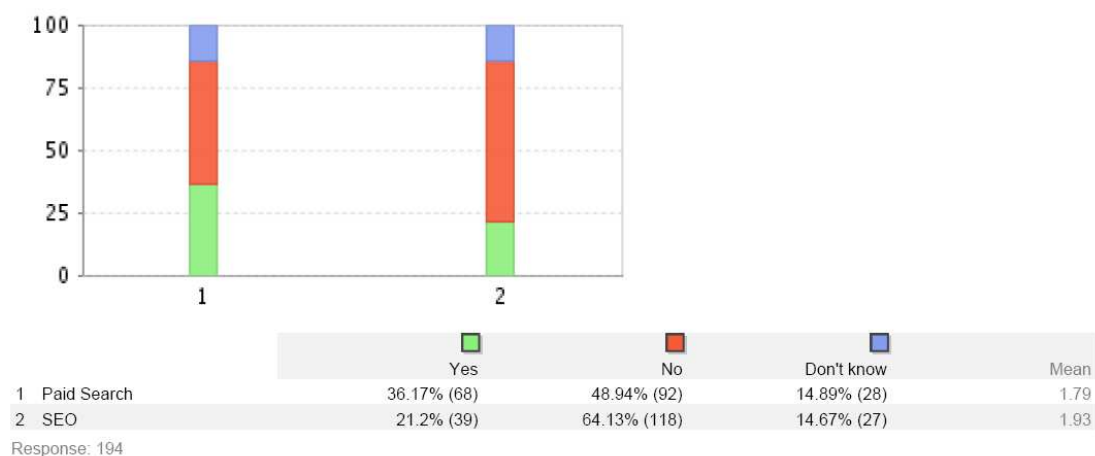
Are you tracking your ROI from Search as effectively as you would like?



#### Agency

Figure 54

Do your clients typically track their ROI from Search as effectively as they would like?



### 6.3.5 Return on Investment from Search

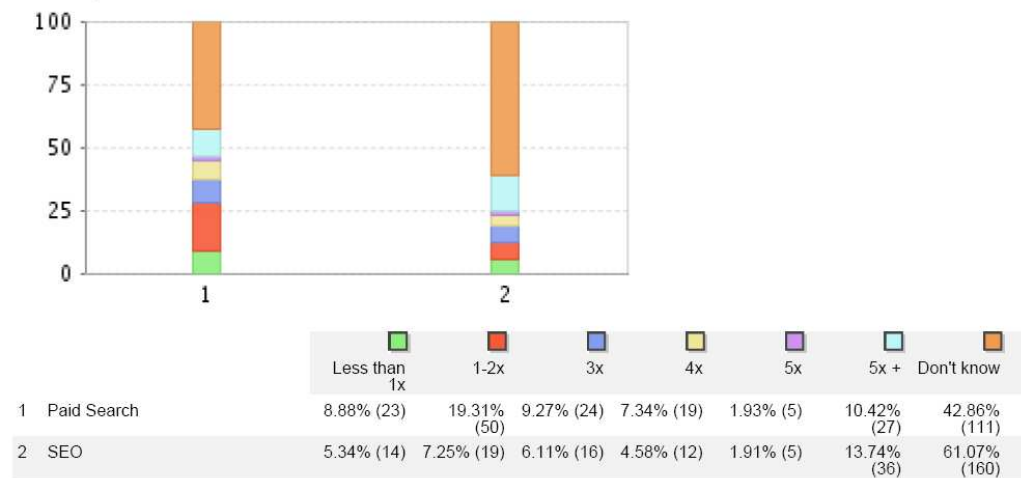
Four out of ten company search marketers (43%) do not know their return on investment from paid search and 61% do not know their ROI from SEO, the survey has shown.

For the UK specifically, the figures for those who don't know their ROI are 44% for paid search and 64% for SEO [Figure 57 and Figure 58].

#### Company

Figure 55

What is your ROI from Search?



Response: 276

Excluding those who don't know, levels of return on investment are shown in Figure 56. For **paid search**, half of respondents who know their ROI say they are getting returns in excess of 300%. Just under a quarter of respondents (22%) say they are getting an ROI of 500% or more.

For **SEO**, the returns can be even greater. Two thirds of respondents (68%) are getting a return in excess of 300%. Some 40% of respondents are getting a return of 500% or more.

Figure 56

#### ROI from Search – excluding 'Don't knows'

	Less than 1x	1-2 x	3x	4x	5x	More than 5x
<b>Paid Search</b>	16% (23)	34% (50)	16% (24)	13% (19)	4% (5)	18% (27)
<b>SEO</b>	14% (14)	19% (19)	16% (16)	12% (12)	5% (5)	35% (36)

Response (Paid Search): 148

Response (SEO): 102

## ROI from Paid Search - Breakdown by Geography

Figure 57

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 25. What is your ROI from Search? (Paid Search)

	Less than 1x	1-2x	3x	4x	5x	5x +	Don't know	Total
UK	8.02% (15)	18.72% (35)	8.02% (15)	7.49% (14)	2.14% (4)	11.76% (22)	43.85% (82)	187
Europe (non-UK)	16.67% (5)	13.33% (4)	16.67% (5)	0% (0)	0% (0)	10% (3)	43.33% (13)	30
North America	4.76% (1)	28.57% (6)	4.76% (1)	14.29% (3)	4.76% (1)	4.76% (1)	38.1% (8)	21
Other	12.5% (1)	25% (2)	25% (2)	12.5% (1)	0% (0)	0% (0)	25% (2)	8
Total	22	47	23	18	5	26	105	246

## ROI from SEO - Breakdown by Geography

Figure 58

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
 → 25. What is your ROI from Search? (SEO)

	Less than 1x	1-2x	3x	4x	5x	5x +	Don't know	Total
UK	6.32% (12)	5.26% (10)	5.79% (11)	3.68% (7)	2.11% (4)	12.63% (24)	64.21% (122)	190
Europe (non-UK)	3.23% (1)	16.13% (5)	9.68% (3)	3.23% (1)	0% (0)	16.13% (5)	51.61% (16)	31
North America	5% (1)	5% (1)	5% (1)	5% (1)	5% (1)	20% (4)	55% (11)	20
Other	0% (0)	22.22% (2)	0% (0)	33.33% (3)	0% (0)	0% (0)	44.44% (4)	9
Total	14	18	15	12	5	33	153	250

### 6.3.6 Rising click costs (CPC)

Some 43% of company search marketers said that **rising click costs** were significantly impacting their return on investment from search, compared to a quarter of respondents (25%) who said that this was not an issue.

Looking at just UK respondents [*Figure 60*], these percentages were 44% and 22% respectively.

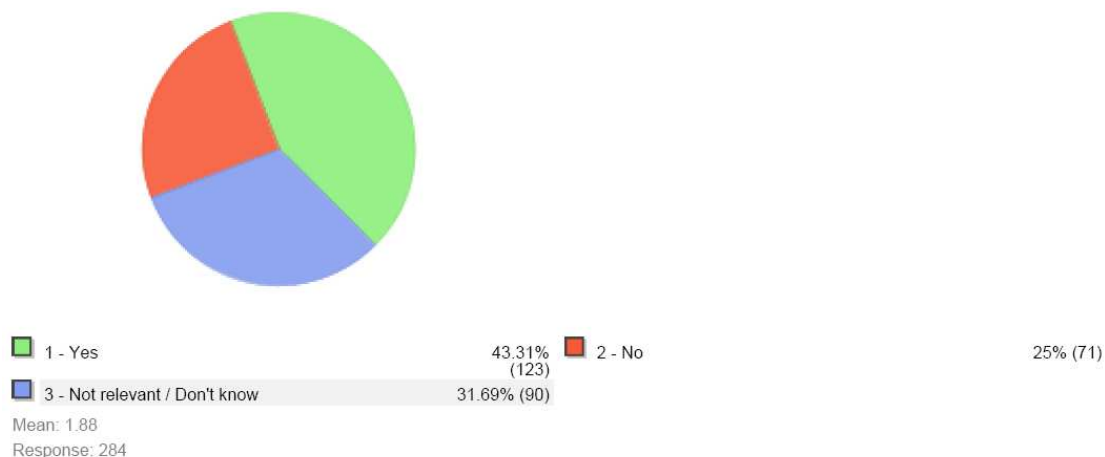
*Figure 61* shows that more than half of agency respondents (56%) believe that rising CPC costs are impacting their clients' ROI from paid search. This figure is the same for UK.

The North America survey sample size for agencies is small but it is worth noting that 85% of respondents from this region report that rising CPC costs are having a negative effect [*Figure 62*].

#### Company

*Figure 59*

Are rising CPC costs significantly impacting your return on investment from Paid Search?



### Rising click costs - Breakdown by Geography

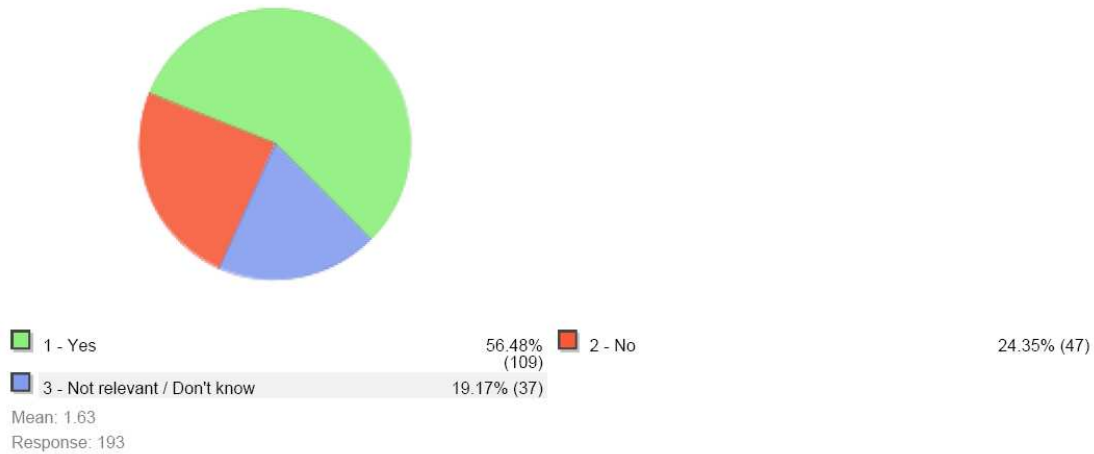
*Figure 60*

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
→ 26. Are rising CPC costs significantly impacting your return on investment from Paid Search?

	Yes	No	Not relevant / Don't know	Total
UK	44.39% (91)	21.95% (45)	33.66% (69)	205
Europe (non-UK)	36.36% (12)	36.36% (12)	27.27% (9)	33
North America	42.86% (9)	28.57% (6)	28.57% (6)	21
Other	40% (4)	40% (4)	20% (2)	10
Total	116	67	86	269

**Agency***Figure 61*

Are rising CPC costs significantly impacting clients' return on investment from Paid Search?

**Rising CPC Costs (Agency) - Breakdown by Geography***Figure 62*

- ↓ 61. In which country/region are you (personally) based? (Answer required)  
→ 31. Are rising CPC costs significantly impacting clients' return on investment from Paid Search?

	Yes	No	Not relevant / Don't know	Total
UK	56.1% (69)	25.2% (31)	18.7% (23)	123
Europe (non-UK)	50% (14)	28.57% (8)	21.43% (6)	28
North America	84.62% (11)	7.69% (1)	7.69% (1)	13
Other	57.14% (12)	19.05% (4)	23.81% (5)	21
Total	106	44	35	185



### 6.3.7 Main factors affecting Search ROI

We asked respondents “*what the main factor or factors are affecting ROI from Search*”.

An analysis of both company and agency respondents’ verbatim answers shows that the most commonly cited factors affecting return on investment from search engine marketing (including PPC and SEO) were:

(in order of frequency of citation)

- 1) Rising PPC costs
- 2) Increased competition
- 3) Poor conversion rates
- 4) Click fraud
- 5) Tracking of ROI and leads

Factors relating to **rising PPC costs** and **increased competition** were easily the most commonly mentioned problems affecting Search ROI.

These two factors are obviously very closely related, as rising PPC costs are caused to a large extent by increased levels of competition.

Some respondents say that the issue of increased competition and rising PPC costs has been exacerbated by the use of **PPC for branding purposes** which can make it very hard for those driven purely by more tangible ROI objectives to compete.

#### **Illustrative verbatim: Rising PPC costs and increased competition**

##### **What the main factor or factors are affecting ROI from Search?**

*“Paid Search is too competitive - for major keywords it is too easy and thus the barriers to entry are zero. There will always be someone willing to take the sale for almost no profit. The opportunities lie in the long tail.”*

*“Competitors having a much bigger budget and pushing up the costs of keywords so we can't compete.”*

*“Competitors adopting branding approaches in opposition to our ROI outlook.”*

*“Due to high CPC costs we are running fewer and fewer ad campaigns which is resulting in less traffic and less sales.”*

*“For both PPC and SEO the ultimate response is competition. As competition increases so does PPC costs and the amount of work required to maintain placement in Natural Listings.”*

It was not as frequently mentioned as rising PPC costs or increased competition, but **poor conversion rates** are also blamed for sub-optimal search engine marketing performance.

This is typically a consequence of either **poor quality traffic** or lack of **landing page optimisation** both of which are frustrating for company marketers and agencies alike.

#### **Illustrative verbatim: Poor conversion rates**

##### **What the main factor or factors are affecting ROI from Search?**

*“Quality of click through; a large percentage of clicks don't actually land, no matter how light the landing page.”*

*“Quality of landing page relevant to ad.”*

*“Quality of leads generated from online have a lower conversion rate than offline leads”*

*“Optimization of the site landing pages to increase conversion.”*

*“It is mainly down to clients not promoting their services well enough when users find their site. We are trying to get clients to make landing pages as relevant to the search as possible. They often can't see this helping their conversion rates.”*

Concern about **click fraud** is mentioned by a handful of respondents but does not crop up particularly frequently if one considers the amount of media coverage of this area. This is not to say that it is not important.

The issue **Tracking ROI and Leads** was also mentioned as a principal difficulty. This is generally more of an issue for SEO than it is for paid search.

#### **Illustrative verbatim: Click fraud and Tracking ROI**

##### **What the main factor or factors are affecting ROI from Search?**

*“Ineffective click fraud management by Google et al.”*

*“The main problem is for SEO - it is hard to track the actual increase in visibility/sales.”*

*“Lack of trackable metrics through to sales teams.”*

In addition to factors mentioned above, there is a “long tail” of issues affecting ROI, such as **poor website design, agency commissions, poor search account management** and **seasonality**. These are typically mentioned by just one or two respondents as being the most significant factor affecting ROI.

## 6.4 Search Engines

Figure 63 provides more evidence of Google's overwhelming dominance of the Search universe.

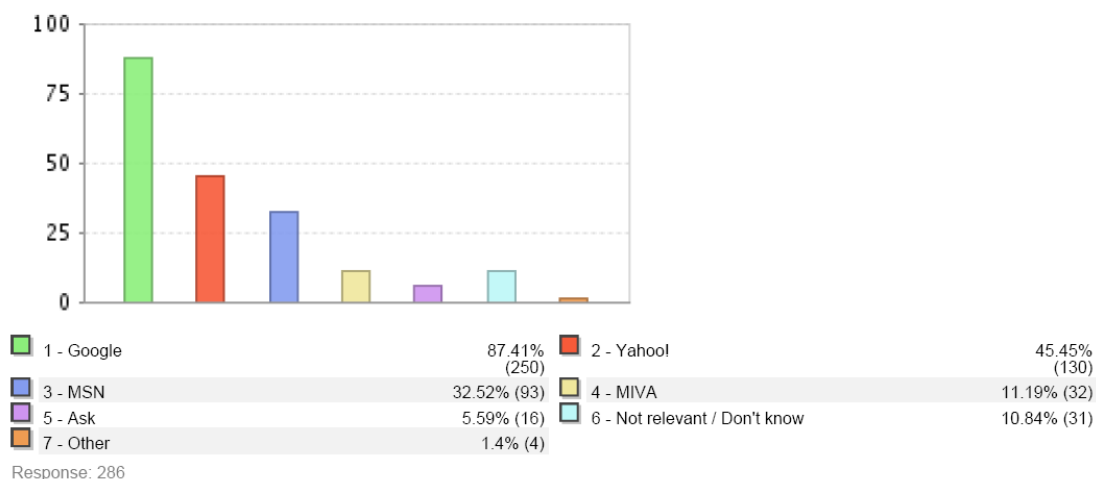
Some 87% of search engine marketers surveyed said that their organisations paid to advertise on Google, compared to 45% for Yahoo!, 33% for MSN, 11% for MIVA and 6% for Ask.

### 6.4.1 Search engines used for PPC

#### Company

Figure 63

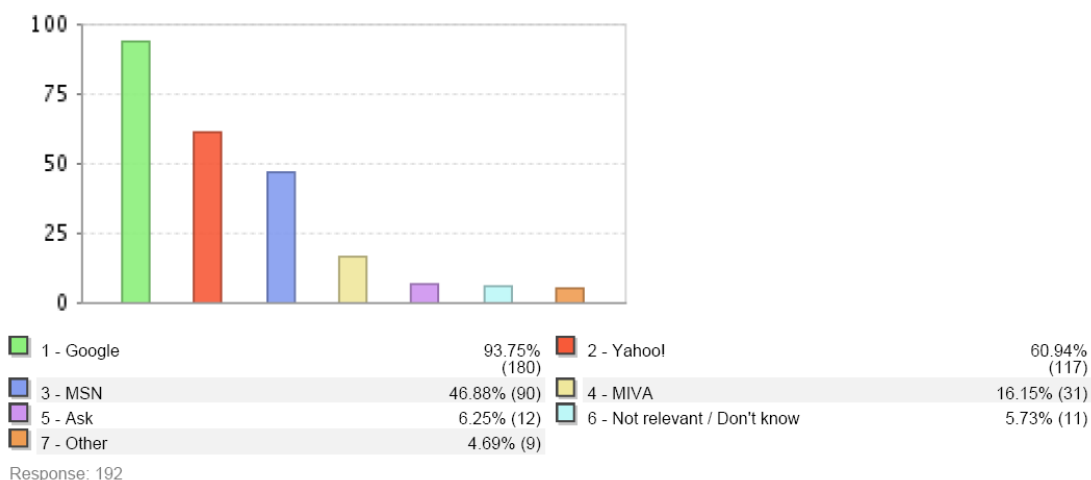
Which search engines do you pay to advertise on (i.e. PPC)?



#### Agency

Figure 64

Which search engines do your clients typically pay to advertise on (i.e. PPC)?



### 6.4.2 Ratings for different Search Engines

The overwhelming consensus from survey **company respondents** is that Google is the best search engine across the following five criteria: **return on investment, quality of traffic, volume of traffic, customer service** and **PPC management tools** [Figure 67].

Perhaps not surprisingly given the level of popularity of Google compared to its competitors in the UK (Google is used for close to 80% of all UK searches according to Hitwise), its biggest strength is **volume of traffic** with virtually every respondent (excluding *don't knows*) rating Google as the best for this.

Looking only at **UK companies**, the percentages of respondents rating Google as the best were as follows:

#### Ratings for Search Engines – UK company respondents

(excluding 'don't knows')

Figure 65

	Google	Yahoo!	MSN	Other
Return on investment	80%	8%	11%	1%
Quality of traffic	78%	11%	11%	1%
Volume of traffic	97%	2%	1%	1%
Customer service	84%	5%	10%	1%
PPC management tools	93%	4%	2%	1%

Across all these categories, Google's main competitors Yahoo! and MSN are a distant second and third place. The equivalent figures for **agency survey respondents** were as follows [Figure 66]:

#### Ratings for Search Engines – UK agency respondents

(excluding 'don't knows')

Figure 66

	Google	Yahoo!	MSN	Other
Return on investment	81%	12%	6%	1%
Quality of traffic	79%	13%	8%	0%
Volume of traffic	99%	1%	0%	0%
Customer service	65%	24%	10%	1%
PPC management tools	94%	5%	0%	1%

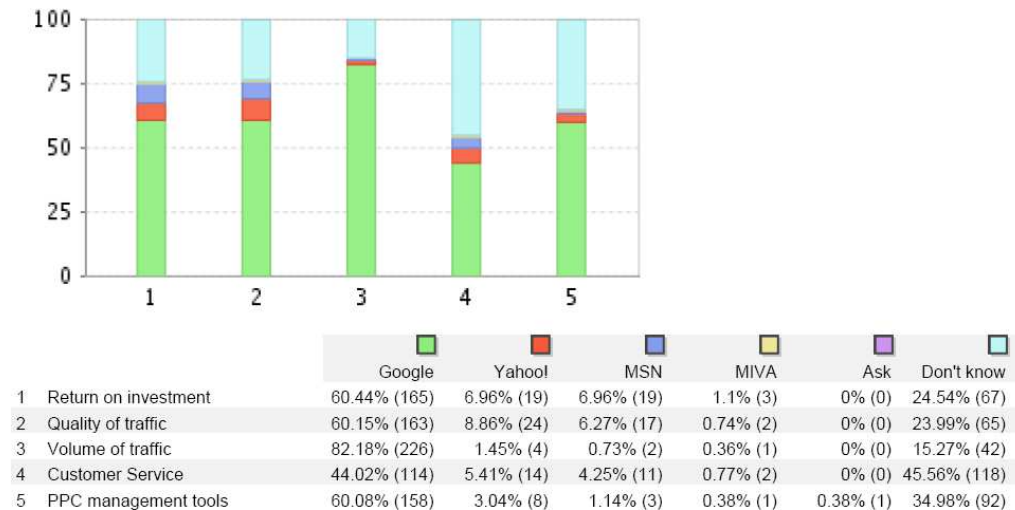
The only serious chink in Google's armour appears to be **customer service** from the perspective of agencies, with 'only' 65% of UK respondents rating Google as the best [Figure 66]. Its closest competitor in agency customer service is Yahoo!, with 24% of agency respondents saying that this search engine was best for customer service.

Figures 67 and 68 below show overall search engine ratings (i.e. including respondents from outside the UK and 'don't knows').

## Company

Figure 67

Which search engine do you rate as the best in the following areas?

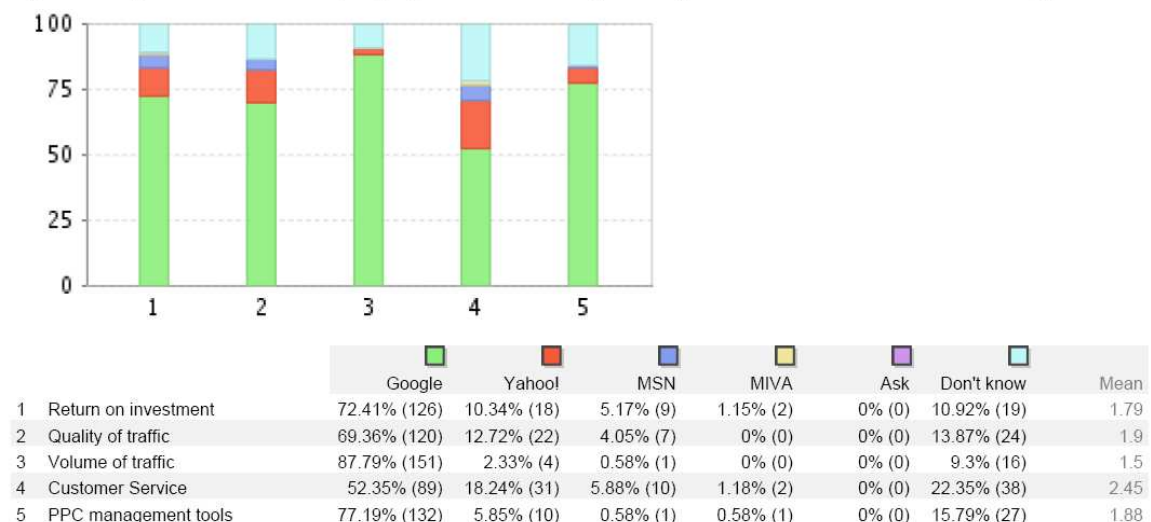


Response: 280

## Agency

Figure 68

If you manage Paid Search campaigns, which search engine do you rate as the best in the following areas?



Response: 176

### 6.4.3 Companies' attitude to Google's position in marketplace

Half of all company respondents (50%) believe that Google has an unhealthy dominance of the UK search engine marketplace.

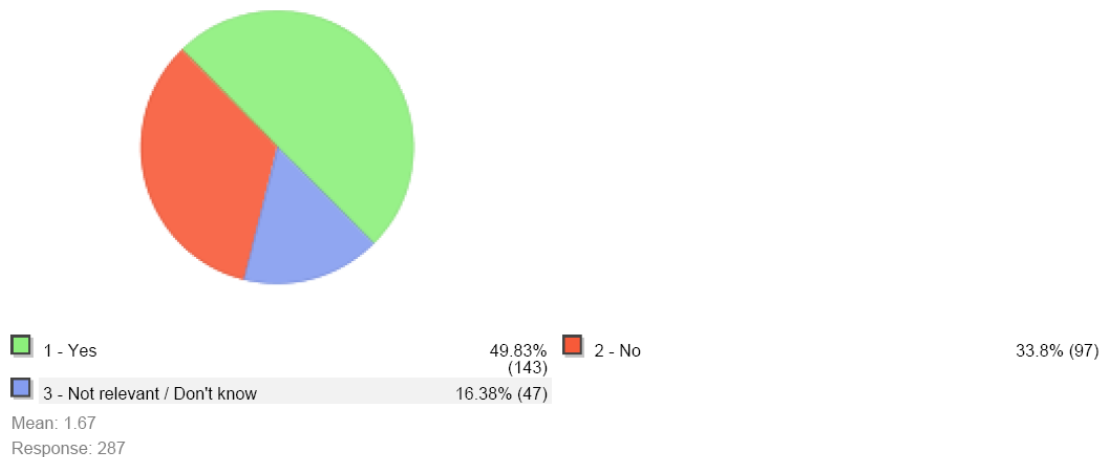
This number increases to 54% when looking at UK respondents only [Figure 70].

A third of respondents do not agree that its dominance is unhealthy (34%). This figure is 36% for the UK [Figure 70].

#### Company

Figure 69

Do you think Google has an unhealthy dominance of the UK search engine marketplace?



### Attitude to Google's dominance (Company) - Breakdown by Geography

Figure 70

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
→ 36. Do you think Google has an unhealthy dominance of the UK search engine marketplace?

	Yes	No	Not relevant / Don't know	Total
UK	54.33% (113)	36.06% (75)	9.62% (20)	208
Europe (non-UK)	44.12% (15)	32.35% (11)	23.53% (8)	34
North America	33.33% (7)	23.81% (5)	42.86% (9)	21
Other	30% (3)	30% (3)	40% (4)	10
Total	138	94	41	273



Of those UK company respondents [*Figure 71a*] who think that Google has an unhealthy dominance of the UK search engine marketplace:

- 12% said there was **no risk to their business**
- 35% said it was **low risk**
- 26% said it was **a risk**
- 10% said it was **high risk**
- 18% said they did not know

Of those who think that Google has an unhealthy dominance of the UK search engine marketplace, a total of 70% therefore believe that Google represents some kind of a risk. Just over a third (35%) say it is 'a risk' or 'high risk'. [*Figure 71a*]

**Including all 211 UK company respondents (irrespective of whether they believe that Google has an unhealthy dominance of the UK search engine marketplace), 60% of those taking part in the survey said that Google's dominance represented a risk of some sort.**

**Some 31% of company respondents said that Google's dominance was 'a risk' (22%) or a 'high risk' (9%).** [*Figure 71b*]

- 10% said there was **no risk** to their business
- 29% said it was **low risk**
- 22% said it was **a risk**
- 9% said it was **high risk**
- The remainder said they did not know, or the question was not relevant (30%).

### Risk posed by Google Dominance (Company) - By Geography

*Figure 71a*

- ↓ 53. In which country/region are you (personally) based? (Answer required)  
→ 37. If so, how do you rate this as a risk to your business?

	No risk	Low risk	Risk	High risk	Not relevant / Don't know	Total
UK	11.73% (21)	34.64% (62)	25.7% (46)	10.06% (18)	17.88% (32)	179
Europe (non-UK)	10.71% (3)	32.14% (9)	21.43% (6)	14.29% (4)	21.43% (6)	28
North America	25% (5)	20% (4)	10% (2)	5% (1)	40% (8)	20
Other	10% (1)	40% (4)	20% (2)	0% (0)	30% (3)	10
Total	30	79	56	23	49	237

### Risk posed by Google Dominance (Company)

*Figure 71b*

(Using all 211 UK company respondents as the sample rather than just those who believe that Google has an unhealthy dominance of the UK search engine marketplace)

	No risk	Low risk	Risk	High risk	Not relevant / Don't know
UK	10%	29%	22%	9%	30%

#### 6.4.4 Agencies' attitude to Google's position in marketplace

The findings for **agency respondents** are very similar to company respondents in terms of their opinion about Google's position in the UK marketplace.

Just over half of agency respondents (51%) believe that Google has an unhealthy dominance of the UK search engine marketplace [Figure 72].

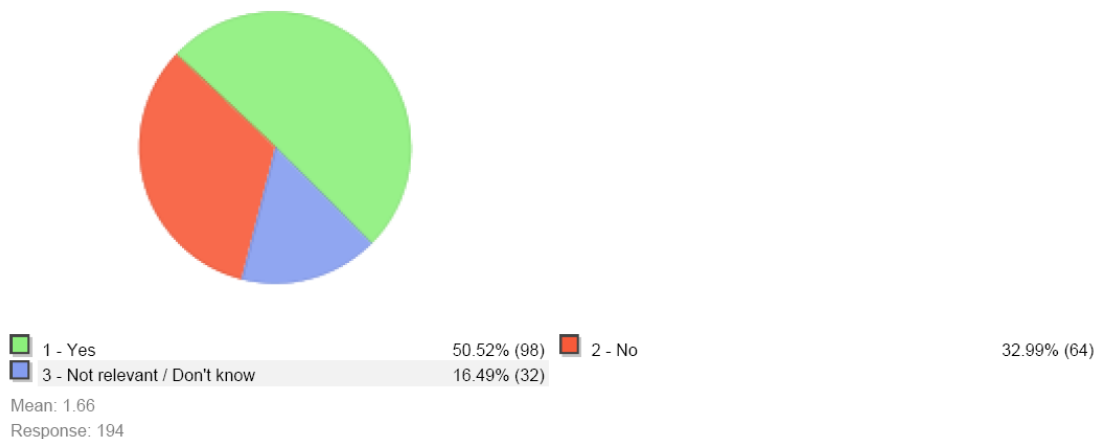
58% of UK agency respondents believe this is the case [Figure 73].

A third of agency respondents do not agree that its dominance is unhealthy (33%). This figure is 38% for the UK [Figure 73].

#### Agency

Figure 72

Do you think Google has an unhealthy dominance of the UK search engine marketplace?



#### Attitude to Google's dominance (Agency) - Breakdown by Geography

Figure 73

- ↓ 61. In which country/region are you (personally) based? (Answer required)  
→ 41. Do you think Google has an unhealthy dominance of the UK search engine marketplace?

	Yes	No	Not relevant / Don't know	Total
UK	58.06% (72)	37.9% (47)	4.03% (5)	124
Europe (non-UK)	46.43% (13)	17.86% (5)	35.71% (10)	28
North America	30.77% (4)	23.08% (3)	46.15% (6)	13
Other	23.81% (5)	23.81% (5)	52.38% (11)	21
Total	94	60	32	186



Of those UK agency respondents [Figure 74a] who think that Google has an unhealthy dominance of the UK search engine marketplace:

- 17% said there was **no risk** to their business
- 41% said it was **low risk**
- 28% said it was **a risk**
- 3% said it was **high risk**
- 12% said they did not know

Of those agency respondents who think that Google has an unhealthy dominance of the UK search engine marketplace, a total of 72% therefore believe that Google represents some kind of a risk. Just under a third (31%) say it is 'a risk' or 'high risk'.

**Including all 127 UK agency respondents (irrespective of whether they believe that Google has an unhealthy dominance of the UK search engine marketplace), 63% said that Google's dominance represented a risk or some sort. Some 27% of all UK agency respondents said that Google's dominance was 'a risk' (25%) or a 'high risk' (2%). [Figure 74b]**

- 15% said there was **no risk to their business**
- 36% said it was **low risk**
- 25% said it was **a risk**
- 2% said it was **high risk**
- The rest said they did not know, or the question was not relevant.

### Risk posed by Google Dominance (Agency) - Breakdown by Geography

Figure 74a

↓ 61. In which country/region are you (personally) based? (Answer required)  
→ 42. If so, how do you rate this as a risk to your business?

	No risk	Low risk	Risk	High risk	Not relevant / Don't know	Total
UK	16.81% (19)	40.71% (46)	28.32% (32)	2.65% (3)	11.5% (13)	113
Europe (non-UK)	8% (2)	48% (12)	16% (4)	0% (0)	28% (7)	25
North America	25% (3)	16.67% (2)	8.33% (1)	0% (0)	50% (6)	12
Other	21.05% (4)	21.05% (4)	10.53% (2)	0% (0)	47.37% (9)	19
Total	28	64	39	3	35	169

### Risk posed by Google Dominance (Agency)

Figure 74b

(Using all 127 UK agency respondents as sample rather than just those who believe that Google has an unhealthy dominance of the UK search engine marketplace)

	No risk	Low risk	Risk	High risk	Not relevant / Don't know
UK	15%	36%	25%	2%	22%

#### **6.4.5 Comments on effectiveness of particular search engines**

It is clear from an analysis of respondent answers that Google's dominance in marketplace is seen as a two-edged sword.

On the one hand, the fact that Google generates such a high proportion of the search volume means that many advertisers feel they can focus their efforts on this search engine.

On the other hand, an over reliance on Google is seen as a potential risk to businesses. Many advertisers would like to see more competition from the other search engines.

The verbatim answers also give an indication as to why Google has been able to achieve such a strong position in the marketplace in terms of why it scores highly with advertisers.

Its AdWords user interface is much less likely to be criticised than either MSN's or Yahoo!'s platform. It will be interesting to see how perceptions change over time following the introduction of Microsoft AdCenter and Yahoo!'s new Panama platform.

There is certainly hope for MSN and Yahoo!. Some respondents comment on good ROI from these search engines but a lack of traffic.

#### **Illustrative verbatim: Comments on Search Engines**

*"Google is largely the leader because it's the best, both in terms of tools, traffic and general matching ability. The only compensation from the competition is that, being less popular, they charge less. Otherwise they loose. We spread our ads to lower the overall cost."*

*"Yahoo! offers better conversions: if they can up their own traffic with marketing, advertisers would switch more budget away from google to them as a better ROI."*

*"MSN's outlook looks very positive from initial results but is struggling to deliver the amount of traffic wanted from it."*

*"Having one so dominant makes it easy to allocate bulk of budget as a bit of a no brainer... but allows you to work with the smaller engines more creatively as they often (regularly) provide a better type of click and lead."*

*"Google seems too intransparent and difficult to predict."*

*"Yahoo! new 'Panama' is basically a replica of Google adwords. Not a bad thing, but where's the innovation?"*

## 6.5 Search Problems and Issues

### 6.5.1 Paid Search problems

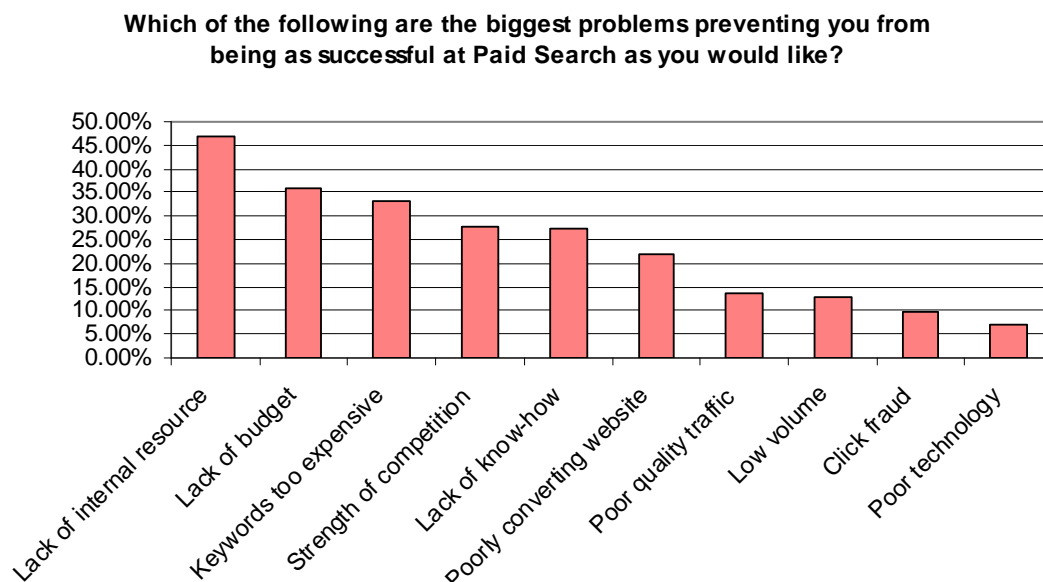
According to company respondents, the biggest problems preventing **paid search marketing success** are as follows:

- 1) Lack of internal resource (47%)
- 2) Lack of budget (36%)
- 3) Keywords too expensive (33%)
- 4) Strength of competition (28%)
- 5) Lack of know-how (27%)

**Company**

*Figure 75*

*Note that respondents could give up to three problems.*



*Response: 270*

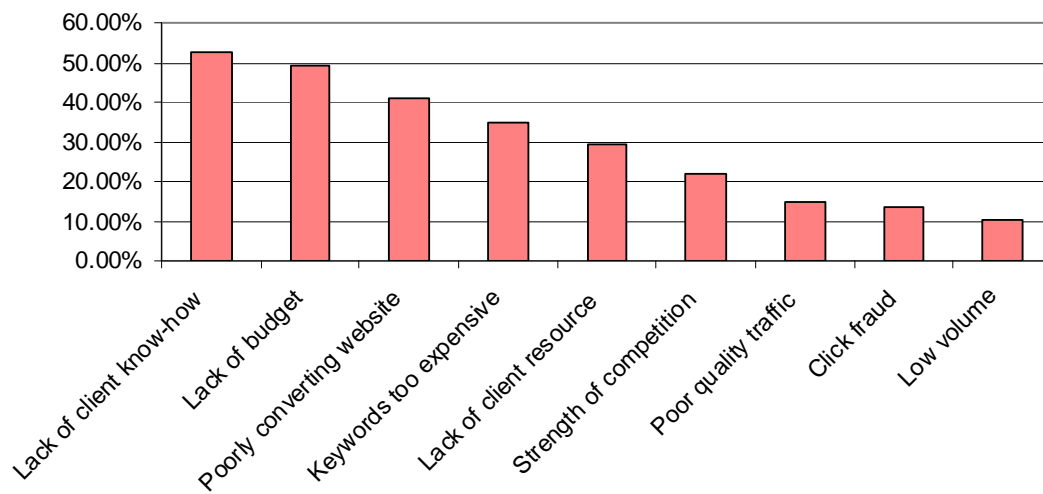
Agency respondents [*Figure 76*] said that the biggest problems facing their clients (for paid search) were:

- 1) Lack of client know-how (52%)
- 2) Lack of budget (49%)
- 3) Poorly converting website (41%)
- 4) Keywords too expensive (35%)
- 5) Lack of client resource (30%)

It can be seen that a **poorly converting website** is deemed by agency respondents to be a more serious problem than it is by company respondents (41% of agency respondents compared to 22% of company respondents).

**Agency***Figure 76*

**Which of the following are the biggest problems preventing your clients from being as successful at Paid Search as they would like?**



*Response: 183*

### 6.5.2 SEO problems

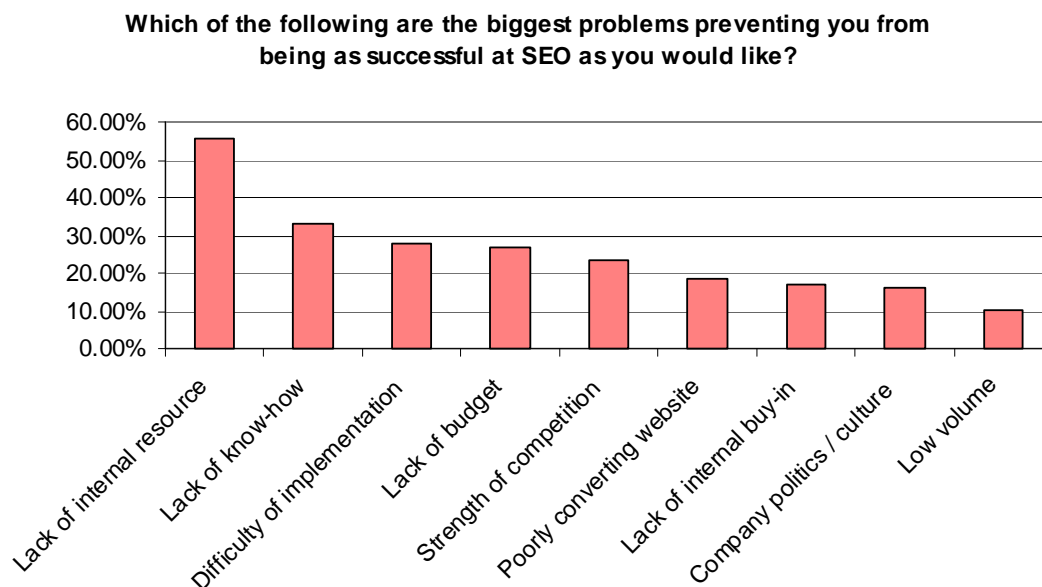
The biggest problems for company respondents in terms of **SEO** are:

- 1) Lack of internal resource (55%)
- 2) Lack of know-how (33%)
- 3) Difficulty of implementation (28%)
- 4) Lack of budget (27%)
- 5) Strength of competition (24%)

These are similar to the biggest problems for paid search although **difficulty of implementation** replaces **expensive keywords** as a major problem.

**Company**

*Figure 77*



*Response: 267*

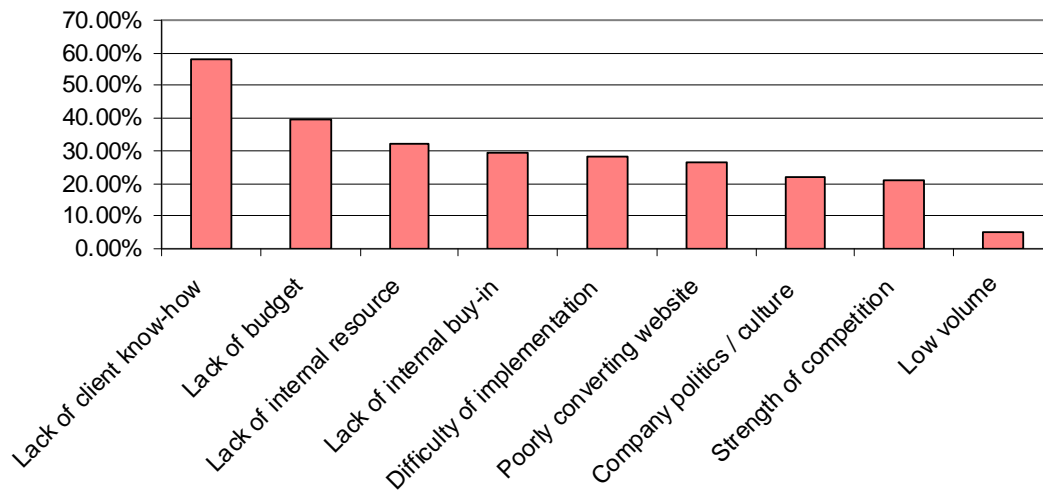
For **agency respondents**, the biggest problems for clients are deemed to be:

- 1) Lack of client know-how (58%)
- 2) Lack of budget (40%)
- 3) Lack of internal resource (32%)
- 4) Lack of internal buy-in (29%)
- 5) Difficulty of implementation (28%)

**Lack of internal buy-in** is viewed by agency respondents as a significantly more serious problem than it is by company respondents (29% of agency respondents compared to 17% of company respondents).

**Agency***Figure 78*

**Which of the following are the biggest problems preventing your clients from being as successful at SEO as they would like?**



*Response: 177*

## 7. Appendix (breakdown of results by selected sector)

This appendix contains a breakdown by sector for selected questions, showing the results for respondents in the following verticals: Financial Services, Publishing, Retail & Travel.

### 7.1 Search Engine Marketing Spend

*How much do you spend on Search Engine Marketing per year?*

Figure 79

	£0- £5,000	£5,001- £10,000	£10,001- £25,000	£25,001- £50,000	£50,001- £100,000	£100,000 +	£500,000 +	£1 million plus	Not relevant / Don't know	Total
Financial Services (including insurance)	6.9% (2)	10.34% (3)	17.24% (5)	10.34% (3)	6.9% (2)	24.14% (7)	10.34% (3)	3.45% (1)	10.34% (3)	29
Publishing	32% (8)	20% (5)	8% (2)	0% (0)	20% (5)	12% (3)	8% (2)	0% (0)	0% (0)	25
Retail	15.79% (6)	18.42% (7)	10.53% (4)	18.42% (7)	15.79% (6)	15.79% (6)	2.63% (1)	0% (0)	2.63% (1)	38
Travel	10.71% (3)	3.57% (1)	14.29% (4)	3.57% (1)	7.14% (2)	14.29% (4)	10.71% (3)	25% (7)	10.71% (3)	28

### 7.2 Budget Increases

#### 7.2.1 Paid Search

Figure 80

*Do you expect your budgets to increase or decrease in the next 12 months?*

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
Financial Services (including insurance)	58.62% (17)	24.14% (7)	10.34% (3)	6.9% (2)	29
Publishing	60% (15)	36% (9)	4% (1)	0% (0)	25
Retail	70.27% (26)	13.51% (5)	16.22% (6)	0% (0)	37
Travel	60.71% (17)	35.71% (10)	3.57% (1)	0% (0)	28

### 7.2.2 SEO

Figure 81

*Do you expect your budgets to increase or decrease in the next 12 months?*

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
Financial Services (including insurance)	48.28% (14)	34.48% (10)	13.79% (4)	3.45% (1)	29
Publishing	70.83% (17)	25% (6)	4.17% (1)	0% (0)	24
Retail	80% (28)	20% (7)	0% (0)	0% (0)	35
Travel	71.43% (20)	28.57% (8)	0% (0)	0% (0)	28

### 7.2.3 Email

Figure 82

*Do you expect your budgets to increase or decrease in the next 12 months?*

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
Financial Services (including insurance)	55.17% (16)	34.48% (10)	10.34% (3)	0% (0)	29
Publishing	58.33% (14)	25% (6)	8.33% (2)	8.33% (2)	24
Retail	67.57% (25)	21.62% (8)	2.7% (1)	8.11% (3)	37
Travel	53.57% (15)	39.29% (11)	7.14% (2)	0% (0)	28

### 7.2.4 Online Display Advertising

Figure 83

*Do you expect your budgets to increase or decrease in the next 12 months?*

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
Financial Services (including insurance)	46.43% (13)	25% (7)	21.43% (6)	7.14% (2)	28
Publishing	33.33% (8)	25% (6)	12.5% (3)	29.17% (7)	24
Retail	38.89% (14)	16.67% (6)	16.67% (6)	27.78% (10)	36
Travel	46.43% (13)	35.71% (10)	10.71% (3)	7.14% (2)	28



## 7.2.5 Mobile Marketing

Figure 84

*Do you expect your budgets to increase or decrease in the next 12 months?*

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
Financial Services (including insurance)	24.14% (7)	10.34% (3)	3.45% (1)	62.07% (18)	29
Publishing	17.39% (4)	17.39% (4)	0% (0)	65.22% (15)	23
Retail	11.43% (4)	22.86% (8)	0% (0)	65.71% (23)	35
Travel	39.29% (11)	14.29% (4)	0% (0)	46.43% (13)	28

## 7.2.6 Affiliate Marketing

Figure 85

*Do you expect your budgets to increase or decrease in the next 12 months?*

	Increase	Stay the same	Decrease	Not relevant / Don't know	Total
Financial Services (including insurance)	48.28% (14)	13.79% (4)	10.34% (3)	27.59% (8)	29
Publishing	30.43% (7)	26.09% (6)	4.35% (1)	39.13% (9)	23
Retail	57.14% (20)	17.14% (6)	2.86% (1)	22.86% (8)	35
Travel	42.86% (12)	25% (7)	10.71% (3)	21.43% (6)	28

## 7.3 Level of Search Budget Increases

### 7.3.1 Paid Search

Figure 86

*If they are increasing, by how much do you expect your search budgets to go up in the next 12 months? (Paid Search)*

	Up to 20%	21-40%	41-60%	61-80%	81-100%	100% +	Total
Financial Services (including insurance)	30.77% (4)	53.85% (7)	15.38% (2)	0% (0)	0% (0)	0% (0)	13
Publishing	58.82% (10)	17.65% (3)	11.76% (2)	5.88% (1)	0% (0)	5.88% (1)	17
Retail	52% (13)	32% (8)	4% (1)	0% (0)	0% (0)	12% (3)	25
Travel	56.25% (9)	18.75% (3)	0% (0)	6.25% (1)	6.25% (1)	12.5% (2)	16

### 7.3.2 SEO

Figure 87

*If they are increasing, by how much do you expect your search budgets to go up in the next 12 months? (SEO)*

	Up to 20%	21-40%	41-60%	61-80%	81-100%	100% +	Total
Financial Services (including insurance)	44.44% (8)	33.33% (6)	22.22% (4)	0% (0)	0% (0)	0% (0)	18
Publishing	55.56% (10)	27.78% (5)	5.56% (1)	0% (0)	0% (0)	11.11% (2)	18
Retail	48.15% (13)	25.93% (7)	3.7% (1)	0% (0)	3.7% (1)	18.52% (5)	27
Travel	47.62% (10)	19.05% (4)	14.29% (3)	0% (0)	4.76% (1)	14.29% (3)	21

## 7.4 Primary Search Objectives

### 7.4.1 Paid Search

Figure 88

What are your primary objectives from Search Engine Marketing? (Paid Search)

	Branding	Lead Generation	Direct Online Sales	Drive Traffic	Not relevant / Don't know	Total
Financial Services (including insurance)	48.27% (14)	62.07% (18)	58.62% (17)	58.62% (17)	0% (0)	29
Publishing	7.9% (3)	21.05% (8)	23.68% (9)	42.11% (16)	0% (0)	38
Retail	28.57% (8)	32.14% (9)	125% (35)	57.14% (16)	0% (0)	28
Travel	40% (10)	76% (19)	76% (19)	48% (12)	4% (1)	25

Please note: Respondents were able to give multiple answers to this question.

### 7.4.2 SEO

Figure 89

What are your primary objectives from Search Engine Marketing? (SEO)

	Branding	Lead Generation	Direct Online Sales	Drive Traffic	Not relevant / Don't know	Total
Financial Services (including insurance)	44.83% (13)	68.97% (20)	58.62% (17)	79.31% (23)	0% (0)	29
Publishing	21.05% (8)	18.42% (7)	18.42% (7)	57.89% (22)	0% (0)	38
Retail	32.14% (9)	25% (7)	110.71% (31)	71.43% (20)	3.57% (1)	28
Travel	32% (8)	80% (20)	72% (18)	60% (15)	4% (1)	25

Please note: Respondents were able to give multiple answers to this question.

## 7.5 Relative Importance of Paid Search and SEO on brand

Figure 90

What is more important in terms of the impact on your brand?

	Paid Search	SEO	Equal importance	Total
Financial Services (including insurance)	20.69% (6)	48.28% (14)	31.03% (9)	29
Publishing	4% (1)	60% (15)	36% (9)	25
Retail	18.42% (7)	31.58% (12)	50% (19)	38
Travel	17.86% (5)	25% (7)	57.14% (16)	28

## 7.6 Tracking Return on Investment from Search

### 7.6.1 Paid Search

Figure 91

*How do you track your ROI from Search (Paid Search)?*

	No tracking	Clicks / Visitors	Position (branding)	Number of sales	Value of sales	Leads	Lifetime value	Profit margin	Page Impressions	Telephone Calls	Total
Financial Services (including insurance)	13.79% (4)	58.62% (17)	13.79% (4)	65.52% (19)	58.62% (17)	51.72% (15)	20.69% (6)	17.24% (5)	27.59% (8)	20.69% (6)	29
Publishing	10.53% (4)	44.73% (17)	5.26% (2)	21.05% (8)	10.53% (4)	7.89% (3)	10.53% (4)	10.53% (4)	28.95% (11)	2.63% (1)	38
Retail	0% (0)	85.71% (24)	28.57% (8)	107.14% (30)	89.29% (25)	28.57% (8)	14.29% (4)	42.86% (12)	17.86% (5)	3.57% (1)	28
Travel	8% (2)	80% (20)	28% (7)	80% (20)	68% (17)	32% (8)	4% (1)	36% (9)	20% (5)	20% (5)	25

Please note: Respondents were able to give multiple answers to this question.

### 7.6.2 SEO

Figure 92

*How do you track your ROI from Search (SEO)?*

	No tracking	Clicks / Visitors	Position (branding)	Number of sales	Value of sales	Leads	Lifetime value	Profit margin	Page Impressions	Telephone Calls	Total
Financial Services (including insurance)	13.79% (4)	68.97% (20)	37.93% (11)	51.72% (15)	51.72% (15)	44.83% (13)	17.24% (5)	17.24% (5)	34.48% (10)	10.35% (3)	29
Publishing	13.16% (5)	52.63% (20)	15.79% (6)	13.16% (5)	5.26% (2)	2.63% (1)	7.89% (3)	5.26% (2)	31.58% (12)	2.63% (1)	38
Retail	3.57% (1)	78.57% (22)	35.71% (10)	78.57% (22)	64.29% (18)	21.43% (6)	7.14% (2)	21.43% (6)	7.14% (2)	3.57% (1)	28
Travel	16% (4)	76% (19)	32% (8)	64% (16)	56% (14)	36% (9)	8% (2)	36% (9)	20% (5)	12% (3)	25

Please note: Respondents were able to give multiple answers to this question.