



iProspect **Natural SEO Outsourcing** Study

August 2005



Background

In order to gain a better understanding of search marketer motivations, perceptions, and decision-making, iProspect partnered with JupiterResearch to field a survey of qualified search marketers that resulted in the iProspect Natural SEO Outsourcing Study.

Methodology

In August 2005, JupiterResearch surveyed search marketers and agencies. Respondents were targeted by familiarity with their company's search marketing efforts and screened for involvement with marketing their company's products or those of clients. A total of 636 qualified search marketers and 224 qualified search agencies completed the survey. Respondents received an email invitation to participate in the survey, with an attached URL linked to the Web-based survey form. As an incentive, respondents were entered into a sweepstakes for the chance to win a \$50 Amazon.com gift certificate.

In this survey effort, JupiterResearch worked with its sister company JupiterWeb on the technical tasks of sample building and survey fielding. JupiterWeb properties include more than 150 Web sites and over 150 email newsletters that are viewed by 20 million unique users and generate over 275 million page views monthly, thus enabling JupiterResearch to survey hard-to-reach audiences.

Executive Summary

The iProspect Natural SEO Outsourcing Study finds that a majority of search marketers – who outsource the management of their natural search engine optimization (SEO) to an SEM firm – encounter obstacles that prohibit them from implementing the changes to their websites recommended by their SEM vendors.

The most frequent, among numerous, obstacles encountered by marketers are lack of internal human resources and lack of outsourcing budget – both of which are even more frequently experienced by larger companies, and those with larger online marketing budgets.

The study also uncovers that roughly half of search marketers underestimate the amount of resources required to implement those recommendations. Again, this is found to apply even more frequently at larger organizations, and those with larger online marketing budgets.

The leading factor contributing to these findings is the inability to accurately project the business results (ROI, revenue, etc.) that will be produced by implementing each specific SEO recommendation. And when human or budgetary resources within an IT organization become stretched or other priorities conflict with SEO, this uncertainty often inhibits marketers and/or their IT departments from implementing specific recommendations. This is because they do not know if the subsequent improvement in business results will justify changing existing development schedules, or the cost of outsourcing the change. If the ROI on a change-by-change basis were predictable, a business case could be made for the implementation of each. (See the [iProspect SEO Metrics & ROI Study](#) for the extent to which search marketers' are even able to measure an SEO campaign's **overall** ROI, let alone the ROI of implementing individual changes within a campaign.)

The search engine marketers surveyed already have internal buy-in and budget to outsource the management of their SEO campaigns. The fact that such a significant number of search marketers have adequately budgeted for outsourcing, but not for what is required by them and their in-house colleagues to implement recommendations, is quite surprising.



Questions & Responses

1. When search marketers – who outsource their natural search engine optimization to and SEM firm – were asked...

“Which of the following reasons have prevented your company from implementing your agency’s recommendations for search engine optimization (SEO)?”

The results were as follows:

Nothing has prevented my company from implementing recommendations	35.60%
Lack of human resources to implement the changes	33.60%
Timing/frequency of update issues	15.40%
Lack of outsourced IT budget	16.80%
Upper management decision not to implement the recommendations	9.40%
Agency failed to prioritize specific recommendations	8.70%
Lack of agency implementation support	8.70%
Branding issues/restrictions	8.10%
Unpredictable ROI if changes were implemented	8.10%
Other reason, please specify:	6.70%
Predicted ROI did not justify changes	6.00%
Agency failed to educate my company on the required resources to implement recommendations	3.40%

2. When search marketers – who outsource their natural search engine optimization to and SEM firm – were asked to “please indicate to what extent the following describes your experience. (Please select one).”

“My organization underestimated the required resources (e.g. headcount, IT/design budget, development time) to implement my agency’s recommendations for search engine optimization.”

The results were as follows:

Strongly agree	16.10%
Somewhat agree	32.20%
Neither agree nor disagree	28.90%
Somewhat disagree	16.10%
Strongly disagree	6.70%



Key Findings

1. A significant majority of search marketers who outsource the management of their natural search engine optimization to an SEM firm encounter obstacles that prevent them from implementing their vendor's SEO recommendations.

- 2 out of 3 search marketers who outsource their SEO encounter obstacles that prevent them from implementing their vendor's SEO recommendations.

2. Lack of internal human resources, and lack of budget for outsourcing resources, are the most common obstacles preventing search marketers from implementing the natural search engine optimization recommendations of their vendors.

- 1 out of 3 search marketers lack adequate internal human resources to implement their vendor's SEO recommendations, while 1 out of 6 lacks adequate outsourcing budget to do so.

3. Lack of internal human resources and lack out outsourcing budget are even more common obstacles at larger organizations and those with larger online marketing budgets.

- Almost 1 out of 2 search marketers whose annual online marketing budget is \$1 million or more lack human resources to implement SEO recommendations, while 1 out of 4 whose annual revenues are greater than \$15 million or whose annual online marketing budget is greater than \$1 million lack adequate outsourcing budget to do so.

4. A considerable percentage of search marketers who outsource the management of their natural search engine optimization to and SEM firm underestimate the resources required to implement their vendor's SEO recommendations.

- 1 out of 2 search marketers underestimate the resources required to implement their vendor's SEO recommendations.

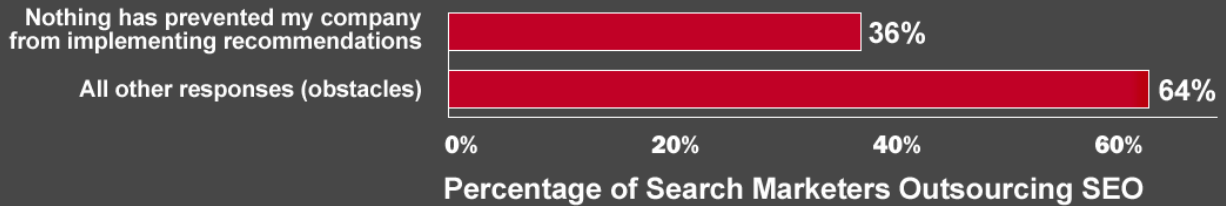
5. Underestimating the resources required to implement their vendor's SEO recommendations is even more common at larger organizations or those with larger online marketing budgets.

- Nearly 6 in 10 of search marketers at companies with greater than \$15 million in annual revenues or greater than \$1 million in annual online marketing budget underestimate the resources required to implement SEO recommendations.



Detailed Findings

1. A significant majority of search marketers who outsource the management of their natural search engine optimization to an SEM firm encounter obstacles that prevent them from implementing their vendor's SEO recommendations.



Question: Which of the following reasons have prevented your company from implementing your agency's recommendations for search engine optimization (SEO)?

Source: JupiterResearch Executive Survey, 8/05, n=149 (Search Marketers who currently outsource SEO to an agency)

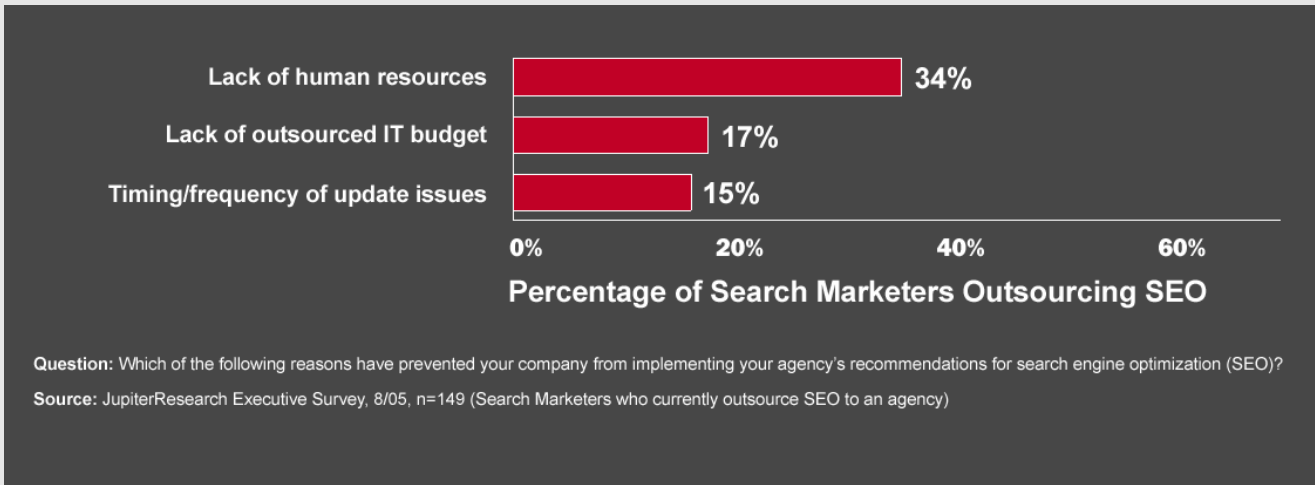
Just 36% of search marketers who outsource their natural search engine optimization (SEO) efforts to an SEM firm encounter **no** obstacles that prohibit them from implementing their recommendations, with 64% of marketers identifying at least one obstacle that prohibits them from making those changes.

This study will address probable reasons for this phenomenon in subsequent detailed findings where specific obstacles are discussed. But at even a general level iProspect believes this is a very surprising finding. Marketers who make the significant investment of time and money in engaging with an SEM firm should be prepared to implement the expert recommendations they paying to receive. This is tantamount to going to the doctor, discovering you are ill, and then not filling the prescription to cure the illness.

Failing to implement any of the changes recommended by the retained SEM firm potentially limits the success the campaign can achieve. Depending on the number of recommendations ignored, and the potential impact of those recommendations, the decision not to implement can be a disastrous one for the marketer and their campaign. Lack of anticipated campaign results and, therefore lack of campaign ROI, can quickly snowball into a lack of organizational commitment and lack of internal commitment to continue investing in the campaign.



2. Lack of internal human resources, and lack of budget for outsourcing resources, are the most common obstacles preventing search marketers from implementing the natural search engine optimization recommendations of their vendors.



When looking at the specific obstacles prohibiting search marketers from implementing their vendor's SEO recommendations, lack of internal human resources is reported by 34% of them, while lack of outsourcing budget is experienced by 17%. In addition, 15% feel their organization's website update schedule and timing is an obstacle that interferes with their implementation.

Again, one would think that search marketers who have made the significant investment of time and money in contracting with an SEM firm to manage their natural SEO campaign would line up adequate internal and outsourcing resources for implementing the recommendations that they are expecting, and paying, to receive. But, obviously, there are reasons behind why this is not happening:

Setting Expectations

A key reason behind the frequency of these particular obstacles is that of accurately setting expectations as to how much time and effort will be involved in implementing the recommended SEO changes.

The type of changes required by the marketer to optimize his website are generally known or anticipated by the SEM firm and the marketer prior to the start of their engagement together. As a result, a common pre-engagement practice is for the SEM firm to provide the marketer with an estimated range of hours that will be required by the marketer to implement those types of recommendations, based on the vendor's prior experience with a variety of other clients.



What these estimates can sometimes fail to take into account, however – depending on how deep an up-front understanding the SEM firm gains about the client's internal situation during pre-engagement discovery – are the client's internal capabilities and dependencies.

These factors can increase the number of hours required to implement the recommendations, or cause delays in their implementation – both of which can result in a delay in the marketer seeing sufficient campaign results to justify the support of their ongoing SEO investment. Unfortunately, some of these factors are not clearly uncovered until after the engagement has begun – and an insufficient estimate of hours has been provided. A very thorough pre-engagement “discovery” process that focuses on these factors can help to formulate more achievable expectations, but ultimately it will depend on organizational buy-in and commitment.

Predictability of Business Results

Another reason that 34% of marketers report lack of human resources, 17% report lack of outsourcing budget, and 15% report their organizations' website update schedule and timing as obstacles is the predictability (or lack thereof) of business results that will be generated by the implementation of specific SEO recommendations.

Marketing and IT priorities can change, and internal as well as external bandwidth/budget expands and contracts, based on an organization's overall priorities, business situation and competitive environment. And despite its significant growth in, and attention currently being focused on, “search marketing” in the marketing community, SEO may still may not be given a high priority in the IT department within many organizations – so significant education is still required to generate organization-wide buy-in.

SEO may be the first priority replaced when a new accounting system needs to be installed, or a CRM system replaced, or a content management system implemented. Because access to resources may change based on changing priorities, those who manage the SEO campaign are often asked to prioritize the changes that they would like made to the website based on the potential business impact they will have. Or, more drastically, they may be asked to pick a limited number of changes they want made from their overall list of recommendations sometimes based on a specific number of hours available in the existing development schedule. This type of request for change-by-change justification can be demonstrative of insufficient organizational buy-in to the SEO engagement.

If marketers were able to accurately predict, on a change-by-change basis, what the resulting improvement in business results from each change would net, they could make a business case for each change they wanted implemented by comparing the “return” to the “investment” in IT resources – and this is what is often necessary (though often not realistic) when the organization doesn't have the proper level of commitment to the SEO engagement.

Responding to a request for justification or prioritization of each SEO recommendation is an extremely challenging, time consuming and imperfect exercise for any marketer, or any SEM firm to undertake. One would need to accurately predict the increase in rankings that would be achieved on specific keywords as a result of a single change to the website, then accurately predict the increase in traffic that would result from that increase in rankings, then accurately predict what the resulting conversion rate would be on that increased traffic, and finally predict what the value of the incremental conversions from that traffic would be – in order to assess whether that value was greater than the cost of implementing the change.



With so many internal variables involved (from the campaign and the website) and so many constantly changing external variables involved (from the search engine landscape and competing websites), the forecasting of a results on a change-by-change basis is neither realistic or viable, and as such, is a poor solution for marketers hoping to justify making SEO changes when IT priorities or resources change or are inflexible.

Seeking proper organizational sponsorship and commitment for the SEO engagement is the most effective solution to freeing up IT resources and consistently proves successful when the proper level of decision maker is persuaded that their audience is, in fact, using search engines to identify a consideration set of vendors, research their purchase and actually purchase on or offline. A steady stream of new research that demonstrates the efficacy and power of SEO is necessary to continually persuade these high-level of decision makers of the power, necessity and priority that should be given to SEO engagements to justify IT resources.

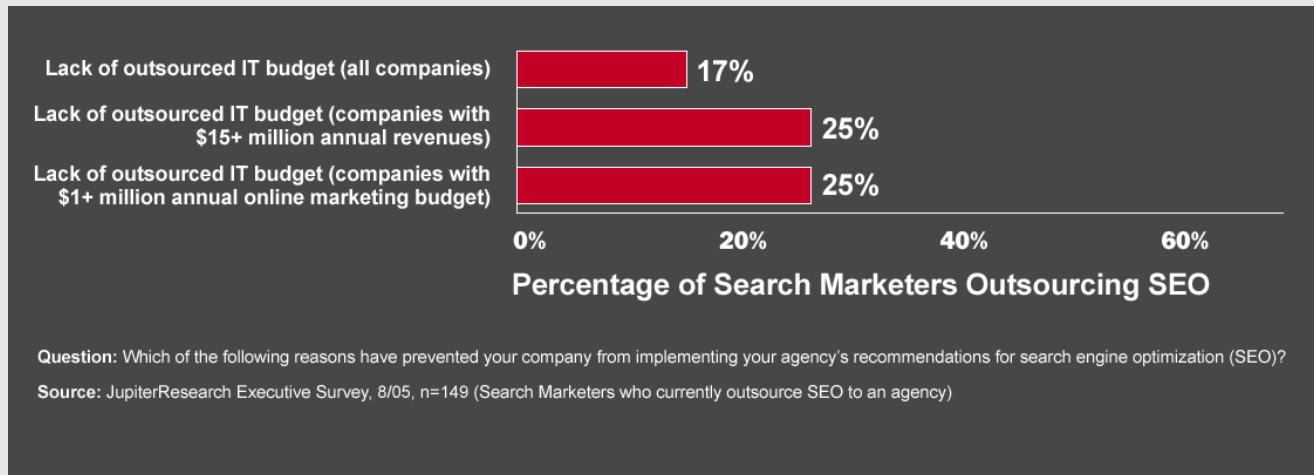
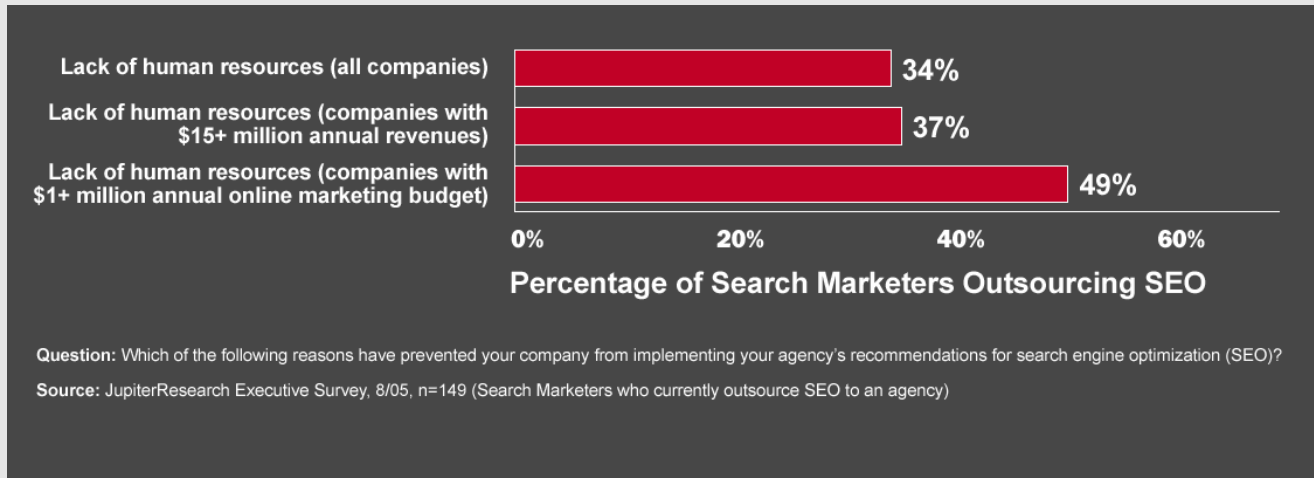
IT Skills

Finally, marketers are clearly often not the people who actually implement the changes that are recommended by their SEM firm. As already discussed, many marketers rely on the time, effort, schedule and cooperation of their colleagues in the IT department.

Many IT departments lack personnel who have ever worked with an SEM firm, or received and implemented the types of recommendations that are typically made. Often this is a first-ever experience for both the company, and its IT staff as well. So until the recommended changes are assessed by those scheduling and performing those changes, and the actual implementation begins, even those IT departments with best of intentions may find they do not have the skill set required, and need to learn how to perform some of the changes. They may feel some of the changes are design, graphical or look-and-feel-based, and so feel they should be outsourced to a designer.



3. Lack of internal human resources and lack out outsourcing budget are even more common obstacles at larger organizations and those with larger online marketing budgets.



The obstacles detailed and explored in finding #2 apply to companies of all sizes, but the survey actually uncovered that they apply even more to larger companies, which for purposes of this study mean companies with annual revenues of \$15 million or more, or companies with annual online marketing budgets of \$1 million or more.



In fact, where 34% of all marketers surveyed find lack of human resources to be an obstacle that prohibited them from implementing their SEM firm's recommendations, 37% of search marketers from companies with annual revenues of \$15 million or more report that to be the case. And a significant 49% of marketers at companies with annual online marketing budgets of \$1 million or more are unable to implement changes for this reason.

And when it comes to lack of outsourcing budget, where 17% of search marketers across all companies sizes consider this a prohibitive obstacle, 25% of marketers at companies with annual revenues of \$15 million or more – as well as 25% of companies with annual online marketing budgets of \$1 million or more – feel that lack of budget was a factor in failing to implement recommendations.

At face value this is a counter-intuitive finding. Why would larger, richer organizations – those willing to spend more money on online marketing – report that lack of human and monetary resources are larger obstacles for them than their smaller counterparts?

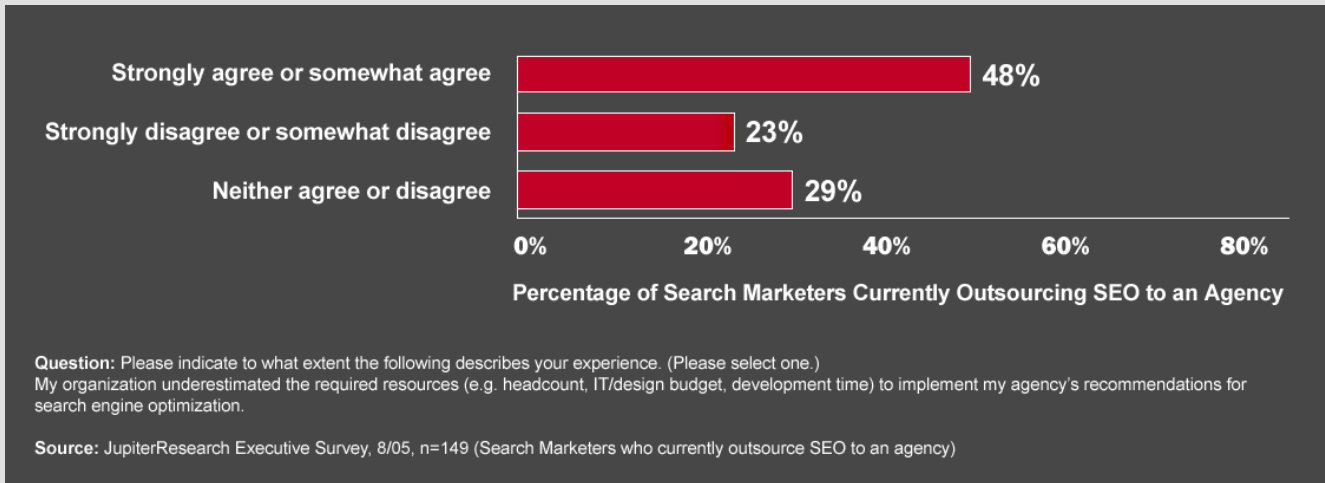
We suspect that this is because it is often quicker and easier to execute any professional services engagement at smaller, more agile companies than at larger ones.

At smaller organizations the search marketer may actually be the person who technically implements the changes. She may know how to write HTML and may have complete authoring access to the company website. She may have been hired precisely because of her combination of marketing and technical skills. She may be a one-person shop. And because of these "advantages," she may not have to rely on an IT department, their schedules, the other priorities, and their level of experience and expertise at implementing SEO recommendations, in order for her changes to be made.

If she is not a one-person shop, and has to work in cooperation with an IT department for changes to be implemented, there may be less bureaucracy, layers of management and red tape to deal with in order for her to meet her goals. And there is probably more accountability placed onto the shoulders of the fewer people involved in making this happen – call it the "one-throat-to-choke advantage." And while smaller, more nimble organizations implement their SEO recommendations with some efficiency, larger organizations more typically bear the ball and chain of more bureaucracy, more people, more layers, more red tape and less accountability on each individual contributor to the goal of full implementation.



4. A considerable percentage of search marketers who outsource the management of their natural search engine optimization to and SEM firm underestimate the resources required to implement their vendor's SEO recommendations.



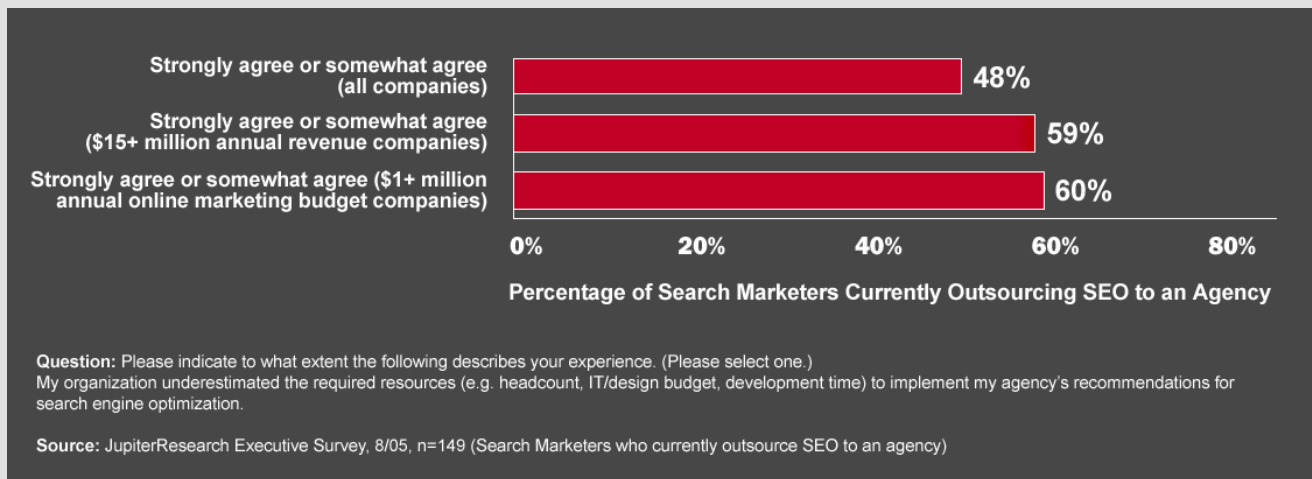
48% of marketers who outsource the management of their natural search engine optimization to an SEM firm either strongly believe or somewhat believe that they underestimate the resources needed to implement their SEM firm's recommendations. Another 23% either strongly believe or somewhat believe that they do NOT underestimate the resources required, and 29% had no opinion.

The aforementioned inability of the typical engagement process (between an SEM firm and their client) to accurately estimate the time needed to make all of the SEO changes that are recommended is a key contributor to this result. Lack of experience on the part of many IT departments at partnering with an SEM firm and implementing the types of changes that are recommended is also a significant factor.

It is iProspect's belief is that if, as with other IT-related initiatives, the vendor can provide a projected number of hours (expressed as a broad range) that are typically required on the part of organizations to implement recommendations, these can be used as a guideline to more accurately plan the resources required. The more information that can be gathered during a pre-engagement "discovery" process – about internal capabilities and skills, SEO experience and expertise, potentially conflicting priorities and responsibilities, website update limitations and schedules, and commitment to SEO – that is shared between the SEM firm and a potential client in advance of the engagement, the more accurate the vendor's projection will be.



5. Underestimating the resources required to implement their vendor's SEO recommendations is even more common at larger organizations or those with larger online marketing budgets.



The phenomenon of underestimating the resources required to implement the recommendations of a marketer's SEM firm detailed in finding #4 applies to companies of all sizes, but the survey actually uncovered that it applies even more to larger companies. Once again, for purposes of this study "large companies" means companies with annual revenues of \$15 million or more, or companies with annual online marketing budgets of \$1 million or more.

In fact, where 48% of all marketers surveyed underestimate the resources required to implement recommended changes, 59% of search marketers from companies with annual revenues of \$15 million or more report that to be the case. And a full 60% of marketers at companies with annual online marketing budgets of \$1 million or more report that they underestimate the resources needed.

As with finding #3, iProspect views the reason for this as intuitive. Smaller organizations often have more control of, and experience less internal competition for, the resources they need.

At smaller organizations the search marketer may actually be the person who technically implements the changes. And because of this, the marketer may not have to rely on an IT department, their schedules, the other priorities, and their level of experience and expertise at implementing SEO recommendations, in order for his changes to be made.

If and the marketer has to work in cooperation with an IT department for recommendations to be implemented, there is probably less bureaucracy, layers of management and red tape to deal with in order meet his goals. He is probably viewed as a larger stakeholder than he would be at a larger organization and so therefore may be higher on its priority list and/or have less internal competition for time, scheduling and resources.



About iProspect

Founded in 1996, iProspect (www.iprospect.com) is the Original® Search Engine Marketing Firm; helping many of the world's most savvy marketers at many of the world's most successful brands maximize the return on their online marketing investment. iProspect custom-creates search engine marketing campaigns for each of its clients based on their needs and marketing goals – selecting the appropriate mix of natural (organic) search engine optimization, paid inclusion management, pay-per-click advertising, and web analytics services.

iProspect has a long legacy of research and thought leadership in the search marketing industry, publishing its first study, *How Visible is the Fortune 100 to Web Searchers* in 2001. This was followed by *Marketing Tactics of Big Brands Not Meeting Web User Expectations* in July 2002, and *Searcher Behavior Shows Top Listings are Most Important*, in November 2002.

In 2004 results from the [*iProspect Search Engine User Attitudes Survey*](#) were published in April, and the [*iProspect Natural SEO Keyword Length Study*](#), was published in November. In August 2005, both the [*iProspect Search Marketer Performance Study*](#) and the [*iProspect SEO Metrics & ROI Study*](#) were published.

Findings from iProspect research are regularly used to enhance our service offerings and to educate clients on search engine marketing best practices and industry trends. iProspect studies are frequently quoted by speakers at search marketing industry events, and by both business and trade press.