



iProspect Search Marketer Performance 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 Search Marketer Performance 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.

Questions & Responses

This study focuses on the findings generated from the following question and responses:

“Which of the following natural or paid search marketing metrics are taken into account when your company is evaluating your job performance?”

Amount of web traffic	51%
Search engine ranking	49%
ROI from search marketing	43%
Number of clicks (i.e. search referrals)	40%
Total sales	34%
Return on advertising spend	29%
Web site design changes implemented as a result of my efforts	27%
Number of leads generated for products sold online	26%
Customer acquisition cost	24%
Number of leads generated for products sold offline	23%
None. My company's search marketing metrics are not tied to my personal job performance	19%
Brand impact (i.e., increased brand awareness, intent or favorability)	18%
Call center volume	10%
Amount of traffic to physical store	7%
Search metrics not tracked	2%
Other, please specify:	2%



Executive Summary

The iProspect Search Marketer Performance Study discovered that organizations evaluated search marketers' performance in a variety of ways, but more frequently using campaign results (e.g., traffic metrics and search results rankings) than actual business results such as sales volume or ROI.

This finding is surprising because: 1) the costs associated with effective search marketing are significant and would presumably need to be continually justified for organizations to make an ongoing investment, and 2) the organizations who responded to this survey obviously have dedicated search marketing staffs, and so clearly appear to be committed to search marketing. Given these two factors, iProspect expected that using measurable business results to evaluate search marketers' performance would be the standard, not the exception. But the results of this study demonstrated otherwise.

It was also discovered that few organizations tie offline results/activities that occur as a result of search marketing efforts to the evaluation of the performance of their search marketers.

With the emergence of data from multiple industry studies that shows the correlation between searches that result in the investigation of products online, and the eventual purchase of a product offline, this finding suggests that organizations are missing an important opportunity to motivate their search marketers to generate cross-channel conversions. This demonstrates that organizations have yet to become aware of the cross-channel opportunities available from search marketing, and that organizations are probably not budgeting sufficiently for search marketing if they are failing to recognize and acknowledge conversions which are taking place offline as a result of searches performed online.



Key Findings

1. Organizations' evaluation of search marketers' performance is tied to their sites' search engine marketing performance.

4 of every 5 search marketers have the evaluation of their performance tied to some search marketing metric.

2. As online media budgets and/or annual revenues increase, organizations are more likely to evaluate search marketers on search marketing metrics.

Only 8% of search marketers whose annual online media budgets are greater than \$1 million are not evaluated on search marketing metrics, while 22% of search marketers whose annual online media budgets are less than \$1 million are not evaluated on search marketing metrics.

3. Website traffic volume and top search rankings are the most common search campaign metrics used by organizations to measure search marketers' performance.

1 out of 2 search marketers are evaluated on website traffic volume and/or top search rankings.

4. Return on investment (ROI) and total sales are the most common business goal metrics used by organizations to measure search marketers' performance.

4 out of ten search marketers are evaluated on ROI and/or total sales generated by their search marketing efforts.

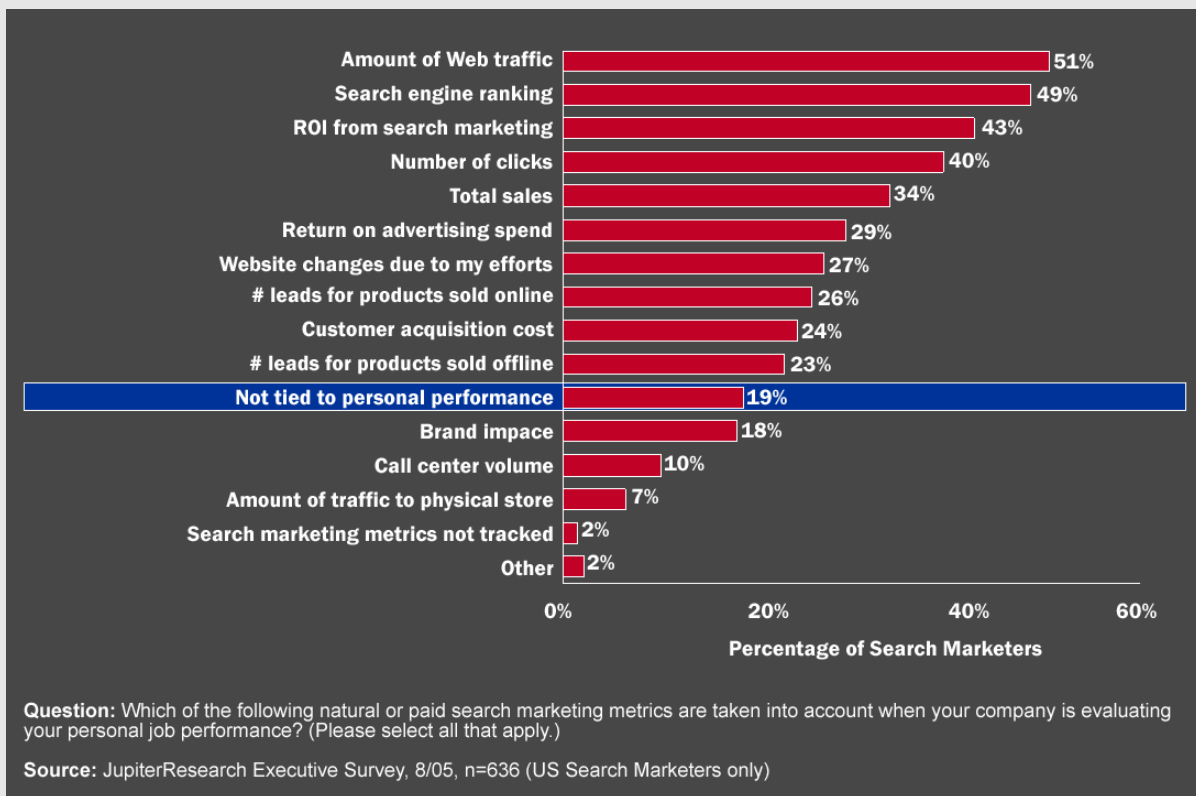
5. A minority of organizations consider offline conversions generated by search marketing when evaluating search marketers' performance.

2 out of ten search marketers are evaluated on offline conversions generated by their search marketing efforts.



Detailed Findings

1. Organizations' evaluation of search marketers' performance is tied to their sites' search engine marketing performance.



81% of search marketers report that at least one of the 14 search marketing metrics posed (which included an "other" option) is taken into account when their performance is evaluated, with just 19% identifying that no search marketing metric is taken into account.

iProspect suspects that those marketers whose performance is not tied to their companies' search marketing success may either have difficulty in measuring campaign results (through inadequate analytics tools or inadequate internal processes) or that search marketing is not their primary role and as such, they have other job responsibilities which outweigh their search marketing responsibilities in terms of the priority and/or value placed on them by their organizations. The wearing of multiple hats may be particularly applicable to smaller organizations. See finding #2 as it pertains to organizational size.



2. As online media budgets and/or annual revenues increase, organizations are more likely to evaluate search marketers on search marketing metrics.



While just 8% of search marketers at companies with annual online media budgets of \$1million+ reported that search marketing metrics are not tied to the evaluation of their performance, a full 22% of search marketers at companies with smaller annual online media budgets (less than \$1million) report that search marketing metrics are not tied to their performance. Similarly, while 16% of search marketers at companies with annual revenues of \$15 million+ report not having search marketing metrics ties to their performance, 19% and 21% from companies with \$1 million to \$15 million, and with less than \$1 million, respectively, do not have their performance tied to their organizations' search marketing success.

Once again, iProspect suspects marketers at smaller companies with smaller online marketing budgets either have difficulty in measuring campaign results (through inadequate analytics tools or inadequate internal processes) or have other responsibilities (wear multiple hats) which far outweigh their search engine marketing responsibilities in terms of the priority and/or value placed on them by their organizations.

Worthy of note is the fact that 65% of search marketers whose annual online media budgets are greater than \$1 million report that the ROI of search marketing campaigns is tied to their performance, compared to just 38% of search marketers whose budget is under \$1 million.



3. Website traffic volume and top search rankings are the most common search campaign metrics used by organizations to measure search marketers' performance.



51% of search marketers report that “Amount of web traffic” is taken into account when their performance is evaluated, with 49% indicating “Search engine ranking” and 40% selecting “Number of clicks.”

Note that these three metrics are “campaign-specific” results – which are actually “means to an end” rather than actual business results (e.g. sales, revenue, ROI, etc.). This may be because organizations have difficulty measuring business results, tying campaign metrics to business results, or because outside factors – over which the search marketer does not have control – also contribute to those business results.



4. Return on investment (ROI) and total sales are the most common business goal metrics used by organizations to measure search marketers' performance.



43% of search marketers report that “ROI from search marketing” is taken into account when their performance is evaluated, with 34% indicating “Total sales,” 29% selecting “Return on advertising spend,” 24% choosing “Customer acquisition cost.”

Note that these four metrics can truly be considered “business results” – as they represent business objectives beyond purely campaign-oriented results and include some monetary component. iProspect was surprised to see business results such as these lagging so far behind strictly campaign oriented results (see #3 above), which are actually just means to a business end.

Without including business results in the evaluation process, search marketers could be viewed as successful by attaining top rankings in natural search results, even if the keywords on which they attained the rankings didn’t drive significant, or qualified, traffic. Similarly, search marketers’ efforts could be driving considerable traffic to their websites, though converting very little to sales and revenue – and yet without considering the business result still be viewed as successful. Organizations would be well advised to develop processes and methodologies for linking search marketers’ performance to business/monetary results.

Once again, worth noting is the fact that 65% search marketers whose annual online media budgets are greater than \$1 million report that the ROI of search marketing campaigns is tied to their performance, compared to just 38% of search marketers whose budget is under \$1 million.



5. A minority of organizations consider offline conversions generated by search marketing when evaluating search marketers' performance.



Just 23% of search marketers report that “Number of leads generated for products sold offline” is taken into account when their performance is evaluated, with 10% indicating “Call center volume” and 7% selecting “Amount of traffic to physical store.”

Though it is unclear from the survey how many organizations offer offline (brick and mortar) conversions that may be generated by search marketing activities, it's clear that very few organizations are actively associating such activities with the efforts of their search marketers. Potential reasons for this include: the inability (through either inadequate analytics tools or inadequate business process) to link an offline conversion to an online “visit,” a realization that search marketers don't have complete control over these offline conversions (as other factors/people also impact these numbers), or even a failure on the part of these organizations to recognize that search marketing actually does drive these types of offline activities.

This should be especially disconcerting to organizations in light of the December 2004 [comScore Networks Study](#), sponsored by Overture/Yahoo! Search Marketing. This study found that in a particular vertical market (consumer electronics and computers), 92% of conversions that took place as a result of online research performed via a search engine, took place offline – with only 7% taking place online. So those organizations which offer offline conversions, or which have as a goal of their websites the generation of offline activities that may lead to conversions, would be well advised to tie such activities to the evaluation of their search marketers' performance.



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 Natural SEO Outsourcing 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.