

# 032 - The ROI of SEO

**Gert Mellak 0:00**

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**SEO Leverage Podcast Intro Music 0:21**

Welcome to the SEO Leverage Podcast, where we talk about search, marketing, and conversion.

**Gert Mellak 0:30**

Hello and welcome. Gert Mellak here. This is Episode 32 of the SEO leverage podcast and today we are going to address one of the most important questions we get asked all the time. What's the ROI, the return on investment of an SEO campaign? Stay tuned to find out. Before we address what an SEO campaigns ROI can be and how to calculate it, I would like to make sure that you know that over at [Seoleverage.com/podcast](https://Seoleverage.com/podcast) you can find all the episodes, this is number 32. And we give additional information and a written version of the content we present here over there. So first of all, let's make sure we know what an ROI is, and how we can calculate it. Imagine you invest \$2,000 in SEO and get \$4,000 profit. You would divide the 4000 by the \$2,000 investment which equals two and then as a percentage would give you 200% of return on investment. So first of all, you want to make sure you get your numbers right. And most online business owners use Google Analytics is one of the most important sources of information. So for Google Analytics to help us with this, we want to make sure we track conversions. A conversion needs to be set up and the conversion is essentially what we want people to do. So if they we want them to purchase a \$10 conversion, we can set up Google Analytics in a way that it tracks this revenue whenever a conversion happens. Usually on Google Analytics, this happens via URL. Say if people land on a so-called thank you page after they purchase, we can tell Google that whoever lands on this page has purchased a \$10 product and is worth \$10. So over time, Google Analytics is then going to collect conversion data, and is going to tell you a lot of information about those people that end up landing on this page after their \$10 purchase, and can give you an idea of how much revenue you're making with this specific conversion. So make sure your conversions are set up correctly. Conversions can be opt-ins. And you might want to assign a value to an opt-ins. So for example, an email address is worth \$10. An email address is worth \$2, whatever it is. If someone opts in for your mailing list, for example, or to download your ebook, and things like those, you can then track them as a conversion and assign a value to it. In e-commerce, it's really simple. Usually, we have direct integration between Google Analytics and software like Shopify, for example. And automatically, Shopify is going to populate Google Analytics with the right data. So you get your conversion rate, and you know what your conversion value is, average cart value, etc. Now, if you've ever asked an SEO consultant, an SEO agency about the ROI of SEO, you probably didn't get a very simple one sentence answer. Why? Why is it too difficult to measure SEO ROI?

Because there are lots of variables. For example, very often, SEO is only part of the journey, which means someone discovers your brand, for example, via SEO because they were asking Google for something your website answers. And then they might start following you on social media and maybe react to social media posts, they might click on a retargeting banner, etc. So knowing what part SEO played in a potential conversion, especially if the conversion window is really large, is definitely a challenge on its own. We need to take into account so called attribution models. So we need to very often take out the first click attribution of a conversion, because then we are going to see that how many people actually came through the organic channel before they actually converted. So this would be someone researching, finding you on Google, engaging with your brand, or maybe even remembering your brand name, and then searching for your brand directly a few days later and converting. SEO would still have played a part, but it's going to be tougher to calculate how important SEO here is. The next point to take into account is SEO is really a long term strategy. See very often you need quite a few months to build up something with SEO, that then starts to rank and yield the fruits of your labor. And so take a large investment to calculate future potential benefits rather than trying to do two weeks of SEO and calculate the ROI. So what this means in practice is very often we calculate maybe a budget of 8 months, 10 months, 12 months, etc. and try to predict based on conversion rates and available data, what the return might be, and then can calculate the ROI. It doesn't make sense on a very short timeframe basis. So the fact that it's really complex doesn't mean you should take ROI of SEO completely out of the equation. You always want to have a rough idea how much revenue you might be making more if you add SEO as one of your traffic pillars. But definitely think about it as in ranges probably as a best case, worst case average case, what could be the ROI of an SEO investment over one or two years, and then make your decision. First of all, in any case, make sure you track conversions and values properly in Google Analytics, get your tracking set up and you're going to know what you're getting channeled right now is bringing in terms of value and every potential higher ranking of a URL that has a decent conversion rate is going to add to your revenue. So make sure you have your tracking correct, you know your numbers, and then decisions are going to be easier to make. This was episode 32 of [SEOleverage.com/podcast](https://SEOleverage.com/podcast), my name is Gert Mellak. Thank you so much for listening. If you want to read this over at [SEOleverage.com/podcast](https://SEOleverage.com/podcast) find episode 32. And if you think this is helpful for someone in your, among your friends or family, definitely forward the link to this episode to them. And if you think we can help you on your SEO journey, reach out to us and send me an email directly at [SEOleverage.com](mailto:SEOleverage.com)