

Why SEO is a great investment, not just a cost

Companies make investments all the time. The intention of any investment is to fund something now that will deliver a return later.

So why is the investment not there for an acquisition channel like SEO?

My theory:

Investments in SEO are compounding in nature. It can be difficult to “see” the results of increases in traffic and revenue because the growth is much more visible when measured over time, often up to a year later.

But who wants to return to leadership 12 months later saying, “Hey, look, we did it!”

Alas, that’s the nature of organic results. They take a while to produce.

This article will discuss some of the main inputs that drive organic growth, as well as the kinds of outputs to expect. Specifically, how SEO needs investments in:

- **People:** Building teams to develop and oversee the SEO strategy that drives business results.
- **Content:** Creating and optimizing content that’s supported by a strong, technical foundation that drives the consumer’s journey and decision to trust and transact with your business over another.
- **Tools:** For SEO and content practitioners alike. In the same way a sports team needs a ball and equipment to play, tools are needed to find the many micro-optimizations that drive the macro impact.

A huge misconception: SEO is “free”

There's no such thing as “free traffic.”

Earning consistent, quality web traffic is not free. It never has been.

It doesn't matter whether you're a startup, enterprise brand or a company of some other type or size.

What matters is getting the best possible ROI.

That requires investing in the components that contribute to traffic growth.

Another huge misconception: SEO ‘just happens’

At its core, SEO is a long-term strategy. SEO requires an ongoing investment.

Results are realized over time as the amount of improvements compounds.

Just having a website full of content or products to sell won't make organic traffic magically materialize.

The reality: any traffic acquisition strategy, especially one involving growing organic traffic, requires funding.

- People are needed to manage the strategy and daily operations.
- Writers are needed to create and optimize content.
- Engineers are needed to code and release improvements to the technical architecture of a website.

Practically every team in an enterprise organization touches

the website or app, which means they need to be aware of how to help contribute to SEO efforts (and not unknowingly harm them).

SEO involves multiple teams and it works best with continuous improvements.

SEO that delivers real business value requires an ongoing, intentional investment in people, content and tools.

Organic traffic is a sustainable source of customer acquisition. SEO becomes your unfair, competitive advantage once your website outpaces its competitors.

What is an SEO investment?

At a minimum, resources for SEO teams look like this: people, content, and tools.

Businesses can choose to go “all in,” investing in building the team internally, or externally using agencies and consultants, or fund a mix of both.

The only “correct” answer here is what works for the business.

Let’s look at each.

People

In many ways, the biggest asset a business has is its people. In SEO that means bringing on knowledgeable search engine professionals to manage the ins and outs of maintaining a website (or a group of sites).

This can range from one subject matter expert to, ideally, a team of SEOs each with a specialized skill set or unique experiences they bring to the table (think of any superhero movie where they combine their powers).

Since the success of SEO relies on the coordinated outputs of

multiple teams, the investment can also include staffing people on complementary teams who are copywriters, engineering resources, strategists, web analysts, data scientists, product managers and UX professionals.

Alternatively, if the team is not in-house, the investment costs can go toward outsourcing the work to an agency or specialized consultants. The key here is that there is a team of subject matter experts who create the right SEO strategy for the business based on its resources. They prioritize the work and collaborate with different teams to make periodic releases of SEO improvements.

I would be remiss if I did not mention the acquisition of knowledge. In a dynamic field like SEO and digital marketing, it's important for a business to also carve out a budget for continuous learning and development (L&D) for your SEO team.

That can mean anything from supporting their leadership development (e.g., online courses, regional SEO meetups and industry conferences that offer learning and networking opportunities).

Content

The investment in content can take a few forms – from hiring an internal SEO content strategist to oversee a team of writers to outsourcing the work to an agency or consultant.

Bottom line: no matter how SEO content teams are structured, the key to success is having the capability to upload and publish optimized content on the website.

It's uncommon for a single SEO, who is dedicated to running the day-to-day SEO operations, to also be able to consistently write and publish content (those are called unicorns).

It's also unrealistic to expect a single person to produce content at scale for a business of any size. That kind of

output takes a dedicated team of specialized writers working from an editorial calendar.

Websites can't rank without great, relevant content. This is why this type of investment is key for businesses operating online.

Tools

Physical writers and SEOs need tools for content creation, optimization and performance tracking.

The costs involved here? It largely depends on what the business needs and where the gaps are.

It could be volume: how many pages will be published and at what rate? How big is the team that needs access to the tool (some charge by number of "seats"). There's also varying levels of cost with the software tools themselves ranging from basic keyword and URL rank tracking to enterprise level with more robust data for large websites that need crawling and analysis capabilities at scale.

There are so many options for teams of all different sizes and budgets. If you're a marketer making the decision on tools for your teams and resources, it's best to self-educate and self-evaluate the best approach for the business.

I find it shocking that companies are willing to spend millions of dollars on paid advertising each month, but then think \$10,000 is a bit too much for SEO

– Eli Schwartz (@51e) January 9, 2022

Paid search and SEO (earned media) are among the two biggest traffic acquisition investments that both basically require funding of people, content and tools.

Many feel the investment in both channels should be more

equally distributed. However, the reality is the results are produced in different timelines.

- Money that goes toward a paid search campaign generates a more immediate result because campaigns can be managed daily – even hourly – which is why SEM often gets a bigger share of the budget.
- The ROI for an SEO investment is realized over a longer timeline; it can be months or years before a page (or pages) of optimized content are indexed by search engines and start ranking well enough to drive measurable visitors to a website.

Think of the investment timeline in this way; you have a garden and want to grow tomato plants. To get the garden to produce that vegetable you must do all the things involved with growing that type of plant which inevitably will take a certain amount of time.

But if you need tomatoes *tomorrow*, you would need to buy a fully developed tomato plant and plant it in your garden. That's Paid Search.

So if you want tomatoes tomorrow, and if you haven't been properly tending to your garden, they won't be there because gardens don't produce immediate results. That's SEO.

Using this example, one can see it's not sustainable for a business to be overly reliant on a channel like paid search to drive customers to its website. The budget will eventually run out or you will get priced out of the market in a bidding war.

SEO cannot deliver immediate results like paid search because it doesn't operate that way. But SEO is like a garden that will bear an abundance of fruit year after year, as long as it's properly cared for season after season.

Investing in an SEO team

Google made more than 5,000 changes to search just in 2021.

That alone is reason enough to have an experienced team overseeing every aspect of SEO.

Say you're a director or manager and tasked with growing your SEO team. You have to look at your internal resources and what kind of expertise the business needs.

Maybe it's an e-commerce site where a technical SEO with e-commerce experience would benefit the business. Maybe your business needs to double down and update its content.

Find whatever type of SEO skills and experience is needed for the business.

The point is that every company will need a different mix of SEO skills.

A bare-bones in-house SEO team at the enterprise level and estimated salary range (USD) looks something like this:

- **Director of SEO:** \$150,000+
- **Senior SEO Manager:** \$120,000+
- **SEO Product Manager:** \$120,000+
- **Technical SEO Lead:** \$120,000+
- **Content SEO Lead:** \$110,000+
- **SEO Analyst:** (specializing in data science and mining the company data for insights) \$150,000+
- **Platform specialist:** (enterprise sites are built on solutions at scale like Salesforce or they're bootstrapped together; what matters is that you have an SME that can make technical changes to the site based on the platform it's on) \$150,000+

Remember, you can't just build the team and not equip them with the right tools. A great football team isn't just made up

of only players – you also need different types of coaches, equipment and gear, training facilities and more.

This is why SEO is considered a long-term investment. Hiring talented and experienced individuals to oversee and improve upon the content and technical architecture of a website is an investment that requires upfront funding and pays dividends later.

It's similar to the investment involved in owning a home. A homeowner needs to proactively set aside a budget for home improvement projects and general upkeep of their property. Doing proper repairs over time means when the house is on the market, it's attractive to a buyer and will sell for top dollar thereby netting a return for the homeowner.

In the same way that it is financially more prudent to upkeep a property over time than it is to do a full rehab, a business needs SEO professionals to look after and improve upon the website as a whole.

SEO is profitable: the ROI of SEO

The main SEO KPIs are traffic and revenue.

How much can SEO increase traffic? That can be tricky to pin down because it depends on a number of factors related to output like:

- How often are you releasing improvements to your site?
- What kind of improvements are they?
- Are they ones that will move the needle?

As a starting point, one way to approach this calculation is to frame it like this: take the baseline of your existing level of yearly organic traffic (from your traffic source, like Adobe or Google Analytics). From there, ask “what does a 1% improvement look like?” And, subsequently, “if we did nothing, what would a hypothetical 1% decline in traffic look

like?”

That’s your +/- baseline where you can then extrapolate up to 5% in either direction as an estimation of improvement or decline in site visits.

For context: “doing nothing” means releasing no technical SEO improvements or updates to existing content or publishing new content.

Important: Doing nothing can sometimes cost more than a marginal investment in SEO.

Measuring the ROI of an SEO investment

SEO should be more widely viewed as an investment because it doesn’t yield direct results for dollars spent from day one.

Think about the reason it’s considered financially sound to invest money into a 401K account, is that the expectation is that the funds will grow over time and be greater when you need them in the future. That happens because of continued investment in the fund and compound growth. The same is true for SEO.

Savvy marketers know Search is an attribution channel that grows over time as improvements are made to the site.

“Search is a critical part of website traffic, as can be seen clearly from almost any Google Analytics account you might look at,” says Krista Seiden, Founder & Principal Consultant, KS Digital. “Whether it’s last click attribution or a multi-touch path to conversion, organic search is a key driver for a majority of businesses out there, and therefore, an important reason to invest in the channel itself.”

Content optimizations are another measurable SEO investment

that requires funding up front and pays dividends down the road. Let me explain.

Most marketers should be familiar with the stages of the buyer's journey:

- Awareness
- Consideration
- Decision

It turns out that customers seek out different types of content based on where they are in the process of their evaluations. The key is to meet the customer's search intent with your content.

This fantastic illustration from Andy Crestodina of Orbit Media highlights what types of content a business would need to have in order to attract, inform and convince someone to buy their product:

Now, think about how many types of content your business has, or doesn't have, from each section on that list. When was the last time that content was updated? What content is missing that you'd need to create that would make your offer more competitive?

Let's say you do a content audit on your site and determine you don't have any how-to content. Hypothetically, it might cost \$500 to \$1,000 to get a 1,500-word article written and published on your site so that when people search for something like "how to replace an LG water filter" you have an article that can appear at the top of the SERPs.

If done well, the article is comprehensive about the topic, relevant for a number of terms people are searching for and

maintains its ranking on the first page of Google for months if not years. The result is that the initial, one-time cost to create the article contributes to multiple sales thereafter.

That, in a nutshell, is how investing in content optimization delivers value year after year.

SEO Investments based on business size

Now let's look at how it can be profitable at different levels. Take this with a grain of salt; these are ballpark estimates for the sake of evaluating what an SEO investment breakdown could look like based on annual revenue and company size.

Startup, SMB

- Headcount: 5-50 full time employees
- Annual Revenue: \$50M
- Rough SEO Investment: \$1-\$5K/month, \$60K/yr.
- Revenue from SEO channel: between 2-5%

At the startup and small business level, an investment in SEO is best once a product market fit has been determined. Most startups are in need of acquiring paying customers quickly. Once there's stability from customers and recurring revenue, SEO can come in and improve upon the existing site content and performance to help cast a wider net thereby amplifying the product and attracting more prospects.

Most small businesses should invest in SEO but they often don't because it's expensive and there often isn't anyone besides the business owner to update the website. Investing a small amount in SEO services will help drive foot traffic to retail locations.

Agencies and/or specialized consultants in the local SEO space

are great resources because they can often shoulder the resource load to make the website mobile-friendly and optimize the content for things like Google Maps and a Google Business Profile listing.

For SMBs hiring an SEO should be like hiring a trusted, licensed professional to do your taxes. It's not something every business owner can or needs to do on their own. Hire an expert that will look out for your SEO needs as it relates to your business.

My recommendation for SMBs would be to start allocating at least \$1,000/month towards SEO services. Take it out of your advertising or marketing budget for 3 months and see what you can get done.

Mid-size

- Headcount: 50-250 full time employees
- Annual Revenue: \$50M-\$1B
- Rough SEO Investment: \$10-\$20K/month, \$240K/yr
- Revenue from SEO channel: between 5-10%

Mid-sized businesses should invest in SEO because it's a more cost effective way to acquire customers long term and they to benefit the most from SEO investments because they typically have some resources to afford supporting their in-house SEO lead with external agency services and/or consultants. At this level, an investment in SEO can mean the difference between being able to drive efficiencies at scale and pull ahead of competitors or being left behind.

At mid-size companies and agencies it's usually the marketing team's responsibility to oversee the website. An SEO specialist can be part of that team but, still both technical and content resources can be scarce.

The midsize level is where SEO can really grow a business. But without a knowledgeable expert that's overseeing the technical

aspects of your site and optimizing your content for what real people are searching for that relates to your business, you're missing out.

Enterprise organizations

- Headcount: 1,000+
- Annual Revenue: 1M+
- Rough SEO Investment: at least \$1M/year
- Revenue from SEO channel: between 5-20%

At the enterprise level, SEO results rely on investment in addition to consistent outputs of multiple teams. Enterprise SEO is more about establishing processes so that different cross functional teams can each improve upon the technical aspects like architecture, internal linking and crawl and index efficiencies.

On the content front, it's about partnering with internal brand and content teams to write and publish content optimizations at scale that deliver a better user experience than competitor sites.

Large sites often require more than fixing issues flagged in an SEO audit. Because SEO is inherently a cross functional discipline, if a business wants to be able to thrive off of its organic traffic, it requires strategic oversight to prioritize and collaborate internally across many different teams delivering on the SEO work; product, engineering, QA, delivery managers, content, UX, and design teams just to name a few.

"[To] see SEO results you need more than SEO investment – SEO relies on product, technology and content. It's a hybrid, complex domain that is interdependent on other resources, teams and outputs."

– Tom Critchlow in his email newsletter SEO MBA

SEO success depends on cross-functional teams, especially the outputs of engineering and content. If you cannot publish code or content, don't expect to see your SEO traffic improve.

The Benefits of SEO

Even a small investment in maintaining a website's performance, content and user experience can accumulate over time to provide the business with a return, year after year.

SEO is always a great investment because humans are naturally curious; we're always searching for ways to solve our problems, new places to eat, directions to where we're going—we are engineered to ask questions and that handy, mobile device in our pocket that's connected to the internet 24/7 is ready to answer any and every query.

Here are some key SEO statistics:

- 93% of the time, an online session begins by searching keywords on a search engine.
- As of 2021, 53% of all website traffic (worldwide) clicks on organic results.
- Google alone processes more than 40,000 keyword searches every single second. That's over 3.5 billion searches in a single day and 1.2 trillion per year!
- 16-20% of keywords searched on Google in any given day have never been searched before.

These compelling stats point to the fact that search isn't going anywhere anytime soon.

In addition to curious humans, another benefit of investing in SEO is that it addresses many of the same challenges associated with the need for making websites easier to navigate for the percentage of the population that has a disability. This practice is known as accessibility.

It's not a 1:1 match but there are many principles of technical SEO that also translate into enabling those that must navigate websites with a screen reader (data shows 8.1 million Americans have a vision impairment) to have a better user experience.

On top of that, SEO with accessibility labels used in the QA automation process makes things even more efficient since those labels make testing automation easier. That's a nice win for multiple in-house teams contributing to SEO and driving business value.

SEO Tactics to invest in

Page speed

In 2022, the North Star of investment is improving website speed and performance according to measurements from Google known as Core Web Vitals (CWV). These are aspects that help a website load quickly for both search engines and users.

Many teams are organizing around:

- **LCP (largest contentful paint):** loading the heaviest assets first so the rest seems seamless.
- **CLS (cumulative layout shift):** minimizing the elements that "jump" or move around the screen while it loads.
- **FID (first input delay):** the time when users first interact with the page and can accomplish what they came to do.

Fundamentally, your website pages should load quickly. Speed became a ranking factor in July 2018 and it's what users expect. But speed alone won't result in increased traffic.

Relevant and authoritative content

Improving content (either updating existing content or pruning

underperforming pages) is one of the best investments for SEO dollars.

Why?

Google is getting better at determining user intent. Which means it's table stakes to stay on top of your content making sure it's helpful, accurate and relevant.

It's worth investing in overhauling your content to improve your E-A-T signals:

- Expertise
- Authoritativeness
- Trustworthiness

The generic searches that occur at the top of the funnel (TOFU) is largely where SEO is most efficient for enterprise businesses. Big brands can usually afford a larger budget for paid search but over time it benefits the business greatly if the amount of incoming, new visitors arrive at the website due to the efforts of a strategic, ongoing investment in well-written, relevant content.

Technical SEO outputs

This relates to the velocity, or speed, at which engineering and product teams can collaborate with SEO teams to fix the technical aspects of the site. A consistent level of output will contribute to a healthy and strong technical foundation.

Generally speaking, if a site goes 6 months or more without releasing any technical improvements it's at risk of losing meaningful rankings and therefore traffic because it's not able to be as competitive online against other teams who are focused on testing and learning to improve upon the SEO results they're seeing.

A few reasons not to invest in SEO

Let's say you're a:

- Startup that hasn't found a product market fit.
- You're an affiliate site only trying to generate revenue. Keep reaching out to influencers...
- You're under the illusion link building is the only way to go. Have fun with that.
- You have a target number of users to hit for investors which means you should look to paid search to acquire customers quickly, then use SEO to keep them.
- If your business has limited engineering resources or none at all. SEO relies on partnerships with engineering and content teams and their frequent output.
- When you can't afford to pay a knowledgeable consultant or agency for their services. Worldwide, SEO providers charge \$112.22 on average per hour and 50% of SEO providers worldwide have a monthly retainer minimum under \$3,000 per month.

For SEO to deliver, it requires investment and collaboration

Make no mistake: SEO is two things. **It is work and it is worth it!**

Ever hear the saying "Anything worth having is hard or requires work?" The same is true for SEO.

A site that loads quickly, is secure for processing transactions, and has relevant and helpful content –those are the table stakes that need looking after in order to be competitive online.

The fallacy that organic traffic "just happens" and doesn't cost anything is flat out wrong. It takes a level of

investment to develop organic traffic into a meaningful marketing channel furthermore driving a sustainable return.

A steady flow of organic traffic is one of the strongest foundations a business can have.

SEO investments are worth it because every human on the planet searches for products, services and information to make their lives easier. Your business needs to be the solution at the top of customers' consideration list.

It's crucial for businesses to invest in SEO because it's a discipline that's uniquely designed to optimize the technical aspects of a website for search engines so that real humans searching online are able to find it when looking for great products and solutions.

Remember, the ROI of SEO is not immediate; it compounds over time. Whereas paid search is either on or off. When your budget for PPC ads runs out, what then?

SEO is a channel that will always deliver. You just have to keep investing.

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About The Author

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