



## Maximizing Revenue Potential in Today's Multifaceted Retail Landscape



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## EXECUTIVE SUMMARY

While nearly every industry was upended by the COVID-19 pandemic, few have been transformed to such a degree as retail. As the first waves of quarantines and lockdowns struck, the already rapid rise of e-commerce accelerated even faster with consumers largely stuck at home, reliant on digital channels to make their desired purchases. Now, with pandemic restrictions largely a thing of the past, the importance of e-commerce has not waned, but has evolved further, with retailers seeking to connect their in-store and online experiences.

Rather than browsing shelves until they find a product that suits their needs, a high-powered search engine is often a consumer's first step toward locating a potential purchase. With the nearly infinite resources of the internet at consumers' fingertips, the importance of search engine optimization (SEO) for online retailers cannot be overstated, as competition has increased for share of wallet.

This is the case whether the consumer plans to order the product of their desire online or in a brick-and-mortar retail setting. For example, according to [research from Salesforce](#), approximately 90% of shoppers begin their hunt for a product via online search. But it is important for retailers to note that this search behavior is not always coming from consumers with the intent to buy online. In fact, according to reporting from [Retail Dive](#), more than 70% of consumers use their mobile phones in store, a figure that jumps to more than 80% for consumers between the ages of 18 and 44.

Whether these consumers are utilizing online search functionality to locate a product in store or to research competitors' features and pricing, SEO plays a key role in getting product information to consumers, which makes developing a robust SEO strategy imperative for all retail channels.

In this research, which was sponsored by Botify, an end-to-end SEO platform that provides key data and insights for e-commerce brands to improve their organic search, it became evident that retailers are overlooking key SEO strategies in favor of allocating funds toward expensive paid search campaigns that are yielding short-term benefits. At a time when reducing customer acquisition costs is crucial for online retailers battling inflationary challenges, cost-effectively increasing website traffic through high-margin SEO is key to enhancing profitability.

NAPCO Research and Total Retail, which are both entities of NAPCO Media, worked with Botify to conduct a survey of online retailers to assess their SEO strategies, the current indexing status of their websites, and key challenges they are facing in optimizing their sites for search. The respondents represented a wide variety of vertical markets, including consumer goods, health & beauty, and sporting goods, and spanned multiple countries, including the United States, United Kingdom, France and Germany.



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The survey revealed that retailers are seeing an increase in search traffic and are utilizing a variety of methods to gain that traffic. In fact, 73% of respondents stated they have invested in third-party technology that can help them track their page indexing, more than half of respondents (53%) indicated they have developed internal methods for tracking how many pages they have indexed, and 58% utilize the more rudimentary approach of site-search, in which search engine users can type in “site:” followed by their URL to receive an approximation of how many of their site’s pages are indexed. The results of this multi-pronged approach appear to be effective, as 78% of respondents state they have seen an increase in organic traffic over the past 12 months.

Where retailers are lacking however, is in the overall quantity of pages within their websites that are indexed, which can leave them exposed to missing out on revenue capturing opportunities.

As an example, if a footwear retailer does not have any of its women’s running shoe product pages indexed by a search engine, those pages will not appear in search results. In this case, a shopper beginning her online quest for new running shoes with a search query will be directed to sites with indexed pages. The unindexed retailer is then missing out on revenue, which over time will add up to a sizable share of uncaptured dollars directed toward competitors.

## RESEARCH METHODOLOGY

NAPCO Research and Total Retail conducted a survey of online retailers between July and August 2022. The survey was distributed in four countries to provide insights into e-commerce behavior across multiple regions. The survey distribution is as follows:

COUNTRY:	NUMBER OF RESPONDENTS:
United States (USA)	168
United Kingdom (UK)	57
France	53
Germany	52
<b>Total</b>	<b>330</b>

*Respondents represented a variety of company sizes and served several vertical markets.*



See Appendix for further respondent demographics

## ONLINE RETAILERS’ WEBSITES ARE UNDERINDEXED

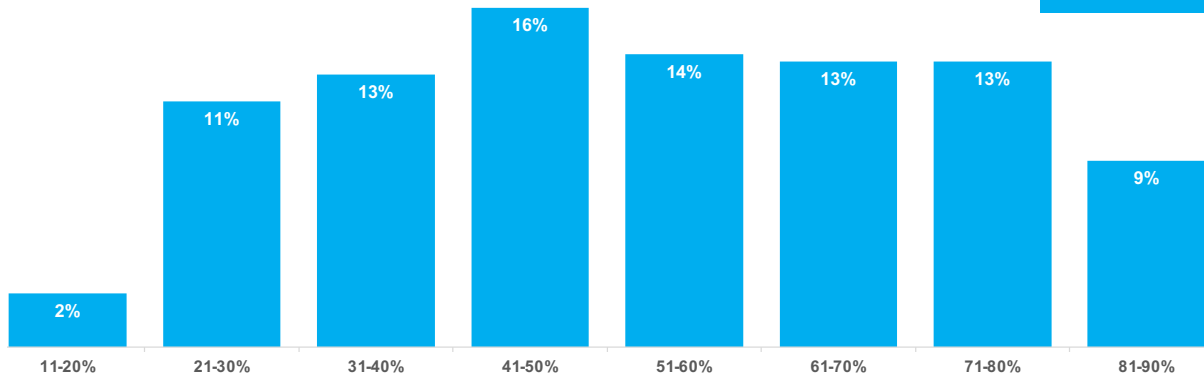
According to e-commerce solutions provider [Shopify](#), online retail sales are expected to eclipse the \$6 trillion mark in 2023, with e-commerce accounting for more than 22% of all retail sales. To navigate this massive online shopping marketplace, consumers typically begin their shopping journey with a search query on a search engine.

While search engines direct consumers to the right place, online retailers that optimize their websites for search users can position themselves better in organic search rankings as their pages become indexed. Google [defines indexing](#) as the process that occurs as the search engine’s crawlers explore and analyze web pages. Based on the content of the page, the crawler then stores it in an “index” to be shown in search results.

For many online retailers, their websites consist of a wide variety of pages, spanning the home page, product category pages, product description pages, original content pages, and checkout pages. While category and product pages bring the consumer closer to making a purchase, it's important for retailers to maximize the number of pages across their website that are indexed. However, retailers are missing the mark too often when it comes to getting their site's pages indexed, according to the NAPCO Research survey.

## Figure 1: Retailers' Sites are Under Indexed

**Q: Approximately what percentage of your company's site's pages are indexed by search engines?**



*n = 325 respondents that track the number of web pages on their site that are currently indexed by search engines*

### Breakout by Geography

	USA	UK	France	Germany
1-10%	2%	0%	4%	2%
11-20%	1%	2%	6%	4%
21-30%	11%	15%	6%	14%
31-40%	9%	24%	16%	10%
41-50%	19%	11%	16%	8%
51-60%	14%	15%	14%	10%
61-70%	14%	11%	12%	14%
71-80%	15%	13%	6%	16%
81-90%	8%	5%	6%	18%
91-100%	4%	4%	10%	6%

# AWARENESS ISN'T ENOUGH

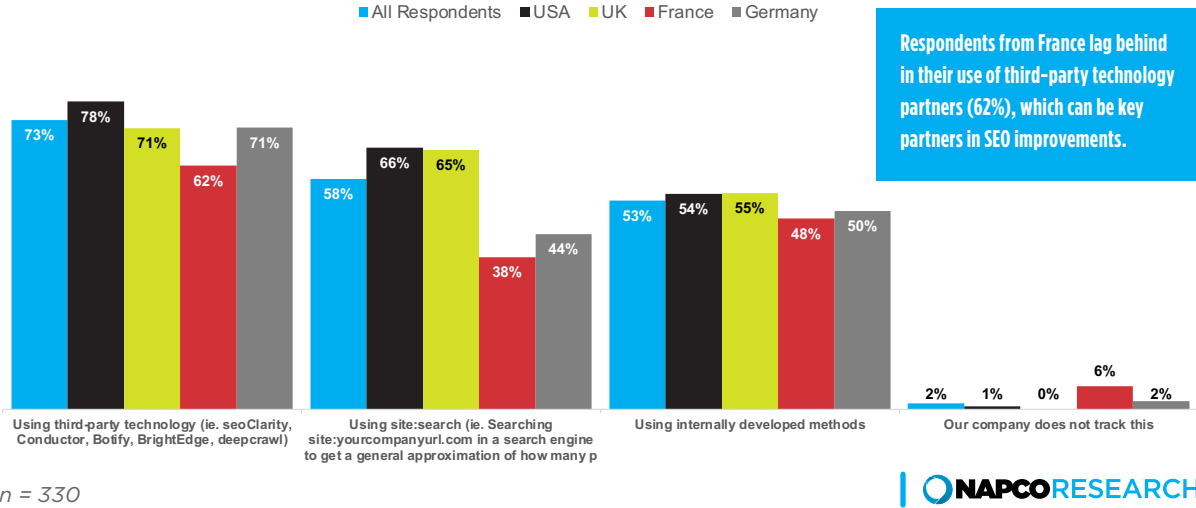
When asked what percentage of their overall pages are indexed by search engines, 44% of online retailer respondents stated it was less than half. 28% even stated that 40% or fewer of their site's pages were indexed. Having swaths of their websites unindexed not only steers revenue toward retailers' competitors with a higher index rate, it diminishes the chances of repeat purchases, as consumers will remain unaware of a retailer's offering if it is not being served to them via search results.

Given the variety of tracking tools that retailers are implementing, it is evident that retailers are aware of indexing's importance. However, with nearly three-quarters of respondents stating they have invested in third-party solutions to track page indexing, the lack of indexing seen across the e-commerce landscape indicates that this awareness is not enough. When investing in third-party technology, retailers should be inquiring about whether the solution can increase site indexing in addition to its tracking services.

The quantity of respondents investing in third-party technology to track indexing is evidence that they are willing to spend money on SEO assistance. Technology providers that can take this to the next level and provide actual indexing results will provide an immense value to retailers currently missing out on revenue opportunities.

## Figure 2: A Variety of Tracking Methods

**Q: How is your company tracking the number of web pages on its site that are currently indexed by search engines?**



# RETAILER RELIANCE ON PAID SEARCH IS HINDERING THEIR BOTTOM LINES

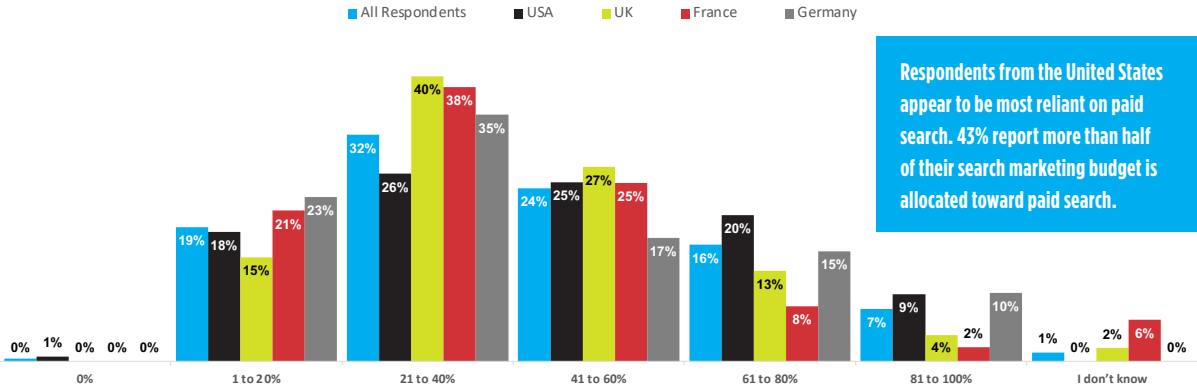
A strong SEO strategy is key to driving organic traffic, which provides online retailers with high-intent shoppers that are inherently driven to their products and services. Paid search can play an important role in a retailer’s marketing efforts due to its ability to provide rapid results. But given its high customer acquisition costs compared to organic search and minimal repeat traffic, paid search should not be the sole source of website traffic generation.

Over time, paid search can reach a point of diminishing returns, as retailers pay higher acquisition costs and thus often lose money when customers don’t come back after making their initial purchase. Paid search does not foster the same sustainable, profitable traffic as organic search, which does not require continual expenditures. Retailers do seem to be aware of paid search’s drawbacks though, with **32% of respondents citing their company’s dependency on paid search as a top pain point.**

This dependency on paid search becomes even more evident when retailers’ budgetary allocations are examined.

## Figure 3: Budgetary Allocation Toward Paid Search

**Q: What percentage of your overall search marketing budget is currently allocated toward paid search?**



Respondents from the United States appear to be most reliant on paid search. 43% report more than half of their search marketing budget is allocated toward paid search.

n = 330



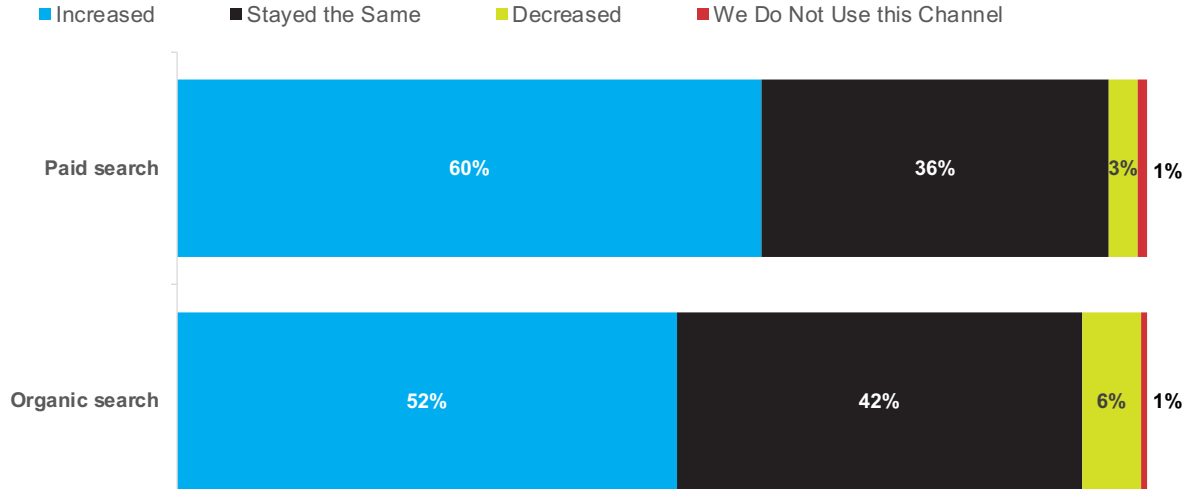
While a reliance on paid search is seen across retailers of all sizes, the largest retailers have the highest dependency on the channel. For example, 43% of companies with an annual revenue of \$1 billion or more stated that more than 60% of their search marketing budget is allocated toward paid search. Furthermore, 13% of the largest respondents shared that 91% to 100% of their search marketing budget consisted of paid search spending.

Unsurprisingly, when asked how their allocation of funds for a variety of search and social channels had evolved over the preceding 12 months, the highest increase in spending was directed toward paid search, with 60% of respondents indicating this increase. Meanwhile, just 3% stated they have decreased their paid search allocation, indicating that the vast majority of retailers see this channel as a growing part of their marketing and customer acquisition strategies.

Budgetary allocations for organic search are also increasing, albeit at a slower pace than paid search.

### Figure 4: Change in Search Marketing Budgetary Allocation

Q: Has your allocation of funds toward the following search channels increased, decreased, or stayed the same over the past 12 months?



n = 330

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## IT'S TIME TO CONDUCT AN SEO CULTURE SHIFT

While paid search does have advantages that retailers can benefit from, relying too heavily on a quick and easy solution, regardless of the cost implications, isn't the path to profitable long-term customer acquisition. Enforcing SEO best practices, however, can provide the influx of revenue that brands are seeking in today's hypercompetitive e-commerce market.

Additionally, key non-technical components of a robust SEO strategy are being overlooked. For example, when asked to indicate their top pain points pertaining to organic search, 31% of respondents stated they have difficulty measuring the impact or ROI of investing in organic search, and 31% indicated a lack of SEO training or knowledge within their organization. Despite this lack of SEO training, just 34% of respondents stated they have conducted cross-departmental SEO training.

Another opportunity to increase SEO success stems from gaining support from the top of the organization. Twenty-two percent of respondents stated that lack of buy-in from executives is a top SEO pain point, yet 27% indicated that they had conducted education of key stakeholders on how important SEO is for the organization's performance.

Given the quantity of retailers that are overlooking these SEO basics, it is evident that investment in SEO solutions is needed to provide a boost. Whether retailers are unaware of the benefits of these SEO best practices or simply do not have the time and resources to devote, available SEO technology can both paint a picture of the revenue being missed due to lackluster search positioning and increase traffic via improved indexing, while providing a clear picture for an organization to understand the return it is receiving on an SEO investment.

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## Figure 5: SEO Tactics for Improving Organic Search

Q: What SEO tactics has your company implemented to improve its organic search performance? Select all that apply.

	All Respondents n=330	USA n=168	UK n=57	France n=53	Germany n=52
Optimizing for technical SEO improvements	52%	55%	53%	38%	56%
Researching and implementing keywords commonly searched by your target audience	47%	54%	36%	37%	46%
Building links to your website from trusted third-party websites	44%	47%	35%	40%	44%
Developing content relevant to your target audience	42%	46%	44%	44%	29%
Investing in technology	41%	41%	35%	35%	56%
Conducting research on your top competitors	37%	40%	31%	25%	44%
Cross-departmental SEO training	34%	38%	29%	35%	25%
Hiring SEO staff	33%	37%	24%	33%	29%
Hiring consultants or external agency	29%	31%	24%	29%	31%
Educating stakeholders on the impact and importance of SEO on performance	27%	28%	29%	19%	29%
Our company has not implemented any SEO tactics to improve its search ranking	1%	0%	2%	4%	0%

n = 330



Three SEO actions retailers can take to maximize their **revenue potential** are **researching and implementing keywords commonly searched by the target audience**, **developing content that is relevant to the target audience**, and **investing in technology** that can improve organic search results. Fewer than half of respondents stated they have taken these actions to help improve SEO performance.

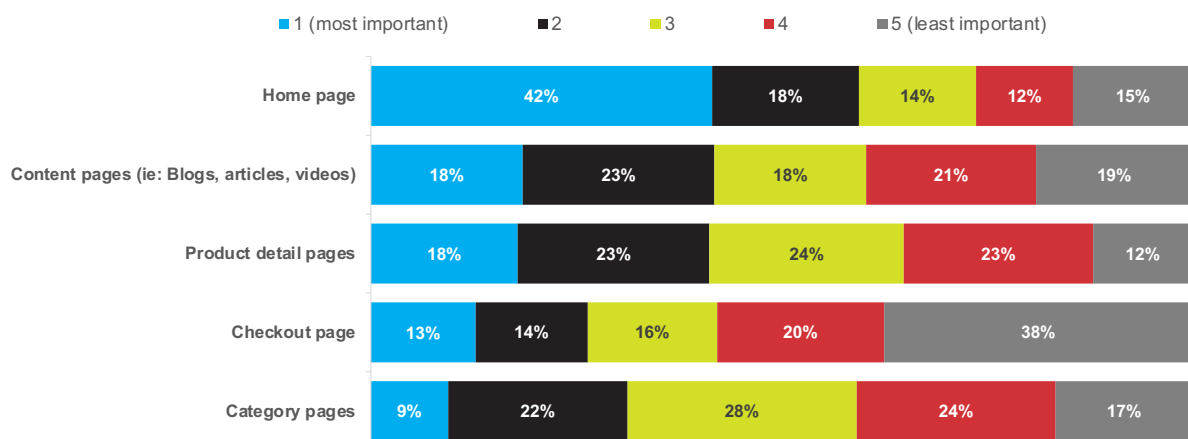
Keywords, which are words and phrases that retailers can implement into their content to match common search terms of their target audience, are a basic tenet of SEO, and even a modest understanding of the keywords a retailer's target audience searches for can lead to an influx of organic search traffic. Additionally, strategizing around which pages within a website to emphasize the use of keywords can help direct consumers to the pages that best lead them toward a purchase.

A product category page, for instance, will be the best destination for a consumer if they know the specific type of product they are looking for, but do not know the exact brand or model. For example, if a consumer searches for “running shoes,” a “running” category page within a specialty footwear retailer’s site will provide them with products that fit their search description and allows them to choose from a variety of options. However, if a consumer knows the exact product they are looking for and searches for “Nike Air Zoom Pegasus 38,” it is best to send them to that exact product page, which provides details about that specific item and is where that item can be added to their virtual cart.

While these revenue-generating pages would seem to be the ideal places to include keyword-rich product content, retailers are focusing their attention elsewhere, ranking their homepages and content pages (e.g., blogs, videos, customer reviews, etc.) as their top two most important pages for keyword-rich copy. In fact, 42% of respondents ranked homepages as “most important,” while 41% ranked content pages as No. 1 or No. 2 in their priority rankings. Category pages, meanwhile, ranked at the very bottom, with just 9% placing them as the top priority and 41% stating they were prioritized as either fourth or fifth.

## Figure 6: Keyword Prioritization

**Q: Thinking about how your company prioritizes its use of keywords, please rank the following page types from most to least important, with 1 being most important and 5 being least important. All respondents.**



n = 330

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Beyond the effective use of keywords across their websites, online retailers are also struggling with the prioritization of technical SEO versus content SEO. Technical SEO is defined as the technical components of a website that impact search results, such as load speeds, how easily the site can be crawled, and the functionality of internal links. Meanwhile, content SEO pertains to website components such as product descriptions, blog posts, and videos. Maximizing both technical and content SEO is important in driving as much organic traffic as possible, but certain retailers seem to be placing an emphasis on one or the other, and not both.

For example, when asked what tactics their company has implemented to improve its SEO performance, optimizing technical SEO factors was the top response with 52% of respondents stating they have taken that course of action. However, when broken down by company size, it becomes clear that larger companies, perhaps with more financial resources to allocate toward these SEO endeavors, lean heavily in the technical SEO direction. In fact, 75% of respondents from companies with more than \$1 billion in revenue state that they have optimized for technical SEO.

The inverse is occurring among the smaller retailers. These companies appear to place more emphasis on content SEO, with 54% of respondents from companies with \$1 million to \$10 million in annual revenue stating that they have developed content that is relevant to their target audience as part of their SEO initiatives. Larger companies also appear to be more willing to invest in the human resources needed to maximize their SEO. Retailers in the \$1 billion+ category had the highest percentage of respondents stating they had conducted cross-departmental SEO training (54%) and had hired SEO-specific staff (42%).

### Figure 7: How SEO Tactics Vary by Company Size

**Q: What SEO tactics has your company implemented to improve its organic search performance? Select all that apply.**

	Under \$25 million n=109	\$25 million to \$500 million n=155	More than \$500 million n=66
Optimizing for technical SEO improvements	47%	48%	70%
Researching and implementing keywords that are commonly searched by your target audience	46%	45%	52%
Building links to your website from trusted third-party websites	39%	42%	55%
Developing content that is relevant to your target audience	47%	39%	42%
Investing in technology	31%	40%	62%
Conducting research on your top competitors	28%	42%	39%
Cross-departmental SEO training	26%	36%	41%
Hiring SEO staff	25%	35%	39%
Hiring consultants or external agency	18%	34%	36%
Educating stakeholders on the impact and importance of SEO on performance	17%	27%	42%
Our company has not implemented any SEO tactics to improve its search ranking	1%	1%	0%

n = 330



## CONCLUSIONS AND RECOMMENDATIONS

As e-commerce continues to increase its share of total retail sales, online businesses must emphasize their efforts to compete in this virtual marketplace. Understanding the correlation between search traffic and revenue is essential, and ensuring quality traffic via organic search is the best path to profits. Particularly at a time when retailers need to rein in costs, keeping their financial allocation toward paid search in check is imperative. With a strong SEO strategy driven by technological investment and internal efforts, retailers can increase their sites' indexing rate, maximizing traffic and revenue from high-intent searchers. However, e-commerce sites are largely under indexed, despite the readily available technological solutions to address this problem, with 44% of respondents reporting fewer than half of their pages are indexed.

With opportunities to unlock the powers of technical SEO via third-party expertise, retailers that can direct their attention toward non-technical endeavors will maximize the best of both worlds. Research indicates that retailers are lacking in key internal SEO initiatives, including staff training and education, as well as generating awareness and buy-in from key stakeholders and executives. While organizations handle these non-technical components internally, the experts at third party technology providers can assess how a website compares to its competition, provide insights into how it can improve, quickly increase indexing rates, and ramp up traffic and revenue.

Maximizing revenue and capturing profits is also dependent on fostering long-term relationships with consumers and minimizing spend on low-ROI initiatives. Retailers that are turning toward paid search as a quick and easy solution for boosting website traffic may see an initial spike in visitors to their pages, but are sacrificing the long-term revenue generation they would achieve through organic search improvements. Rather than throwing money at the problem, investing in expertise, whether from a third-party SEO service provider or by hiring internal SEO staff, can help retailers maximize both their technical SEO and content SEO, resulting in organic traffic, increasing revenue, and diminishing their reliance on paid search.

Developing a sound SEO strategy should be considered a key component to the fabric of a company's culture. Education and training in the basics such as keyword optimization, content creation, and technical fixes that can be provided by IT staff should all be priorities for retailers as they seek to increase their revenue. By investing in expertise and long-term technical fixes, online retailers will put themselves ahead of competitors that are still vexed by low-quality paid search traffic as they soar to the top of search engine results.



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# WHO WE ARE

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 NAPCO RESEARCH

NAPCO Research crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision-making.

NAPCO Research can help with:

- Business goal prioritization
- Opportunity discovery
- Market segmentation
- Landscape insight
- User needs and wants
- Product features and functionality
- Content marketing strategy
- Sales strategy and tactics
- Market conditions
- Benchmarking
- Industry trends
- Brand awareness

Contact [research@napco.com](mailto:research@napco.com) to talk with our analysts and find out how we can help you with your research needs.

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WHO  
WE  
ARE

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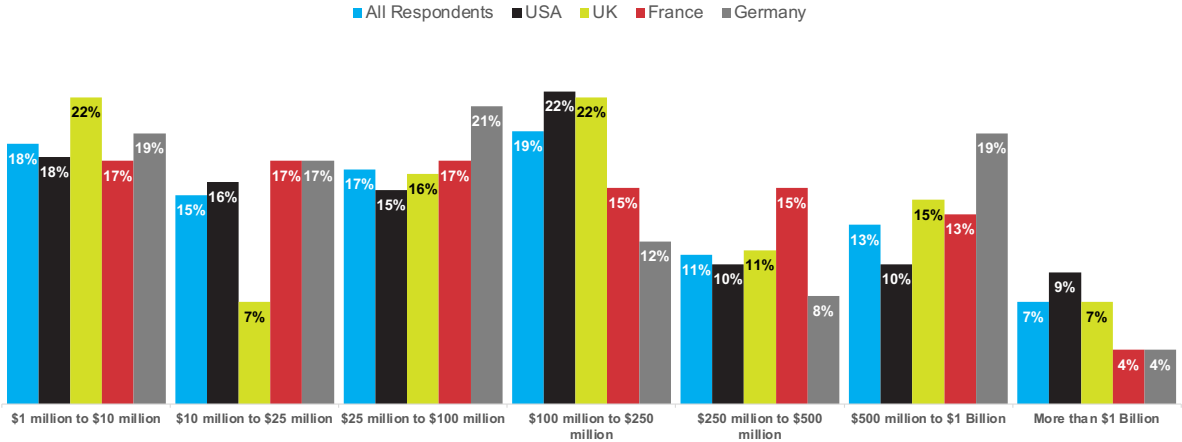
## botify

Botify is a global, enterprise software company focused on enabling the most ambitious brands to leverage organic search as a high-impact, performance marketing channel. Powered by AI and a proprietary unified data model, Botify's platform ensures web and mobile sites are optimized for search, the foundation of being found by consumers in today's dynamic digital environment. As the leader in organic search innovation, Botify is trusted by more than 500 of the world's most visible brands, including Expedia, L'Oréal, Crate & Barrel, and The New York Times, all of whom have succeeded in leveraging organic search for exponential, long-term results and revenue growth.

# APPENDIX: RESPONDENT DEMOGRAPHICS

## Figure 8: Respondents' Annual Revenue

Q: What is your company's annual revenue?



n = 330



## Figure 9: Vertical Segments Served by Respondents

Q: What are the main vertical segments your company serves?

	All Respondents	USA	UK	France	Germany
Consumer Goods	40%	50%	29%	31%	31%
Apparel & Fashion	33%	36%	35%	31%	27%
Consumer Electronics	28%	35%	24%	19%	19%
Health and Beauty	21%	25%	13%	21%	15%
Luxury Goods	18%	19%	24%	17%	12%
Building & Garden Supplies (or Home Improvement)	18%	24%	9%	10%	13%
Cosmetics	16%	15%	15%	15%	19%
Jewelry	16%	16%	15%	15%	15%
Food & Beverage/ Wine & Spirits	15%	18%	7%	10%	17%
Home Décor	15%	22%	9%	2%	12%
Sporting Goods	15%	18%	11%	6%	15%
Video Games	15%	18%	9%	12%	13%
Automotive	14%	14%	16%	10%	17%
Footwear	14%	14%	11%	19%	12%
Hospitality & Leisure Travel	13%	15%	15%	4%	13%
Furniture	13%	18%	9%	6%	8%
Books	8%	11%	9%	4%	4%
Other (please specify)	8%	8%	5%	12%	10%

n = 330

