



877-568-7477

oneupweb.com

casestudies@oneupweb.com

P.O Box 790 | Suttons Bay, MI 49682

How Keyword Length Affects Conversion Rates | a white paper with pizzazz

Executive Summary /::

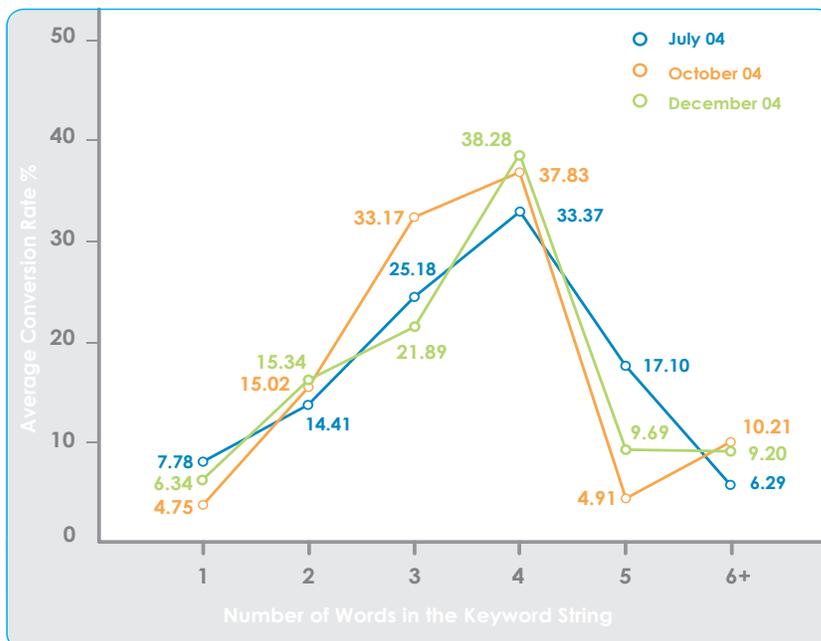
Oneupweb recently reviewed data collected by ROI trax® (a proprietary search analytics conversion tool designed by Oneupweb) confirming our hypothesis and finding that, in general, keywords with longer strings have higher conversion rates. That's not all we discovered—there were two surprises in the research.

- First, we found that conversion rates peak at four-word keyword phrases (or strings), noticeably dropping with longer phrases.
- Secondly, we found that single keywords have very high conversion rates, until you remove corporate names from the data. Once the corporate names are removed, single keywords have lower conversion rates than two-, three-, and four-word keywords.

Initially, we reviewed data from our entire database—an analysis covering hundreds of thousands of keyword phrases. This data set showed that single keywords had very high conversion rates and that conversion rates rose steadily from two-word phrases through four-word phrases, peaking at four-word phrases and dropping thereafter. Examining just this data set, one would conclude that the high conversion rate of the single-word phrases contradicts our hypothesis. However, we also reviewed a second data set, a much more focused database of highly-trafficked keywords, with corporate names removed. (We anticipated that searchers using corporate names were predisposed to make a purchase from that company.) We limited this High-traffic Keywords database to 100 keyword phrases with the highest traffic rates for that site. Average conversion rates from the second data set show that single-word keywords have lower averages than two-word, three-word and four-word phrases, once corporate names are removed.

Additionally, we tracked average unique visitors per keyword, confirming our hypothesis that keywords with longer strings have lower traffic.

As a result, Oneupweb recommends that keyword strings used in natural search optimization campaigns be expanded to three-, four- and five-word keywords, along with optimization for one- and two-word phrases.



High-Traffic Keyword Review /::
Defined by Total Unique Visitors
(corporate names deleted)



The Study /::

In January 2005, Oneupweb conducted a study to determine if the number of keywords in a search query was related to conversion rates. Our hypothesis was that the longer the keyword string, the higher the conversion rate. We focused our study on data generated by natural or organic search engine results listings, not sponsored listings or pay-per-click advertising.

Using aggregate data collected by ROI trax® (a proprietary search analytics conversion tool designed by Oneupweb) we gathered traffic and conversion data related to search engine keyword searches for the months of July, October and December, 2004. Oneupweb's database includes data from hundreds of companies, both Business to Consumer (B2C) and Business to Business (B2B). Some are online retailers, others use websites to generate leads or provide information. All the companies in the study track natural search engine traffic and conversions using ROI trax tools.

We divided the data into categories by the number of words in the search query—one-word phrases, two-word phrases, three-word phrases, four-word phrases, and five-word phrases. For graphic clarity and because the data volumes were much lower, keyword phrases six words and longer were combined and averaged together. We then calculated the average conversion rate for each category.

“Conversion rate” is defined as the percentage of unique visitors that purchased or converted. Each client in the study defines their specific conversions; for example, some conversions were actual product or service sales, while others valued online actions such as downloading white papers, filling in forms or requesting proposals. The monetary value of the sale or conversion was irrelevant to our study; we focused on the number of sales or conversions as a percentage of traffic.

“Traffic” refers to the number of unique visitors coming to the site for the first time. Repeat visitors aren't tallied again as traffic and so don't affect the traffic data of this study.

Reviewing the Full Database /::

Oneupweb designed a special program to extract ROI trax® data for all of the keywords tracking conversion rates. The program mined traffic and conversion rates from millions of records included in Oneupweb's database. The program then divided the data by month into categories based on the number of words in the query (one-word phrases, two-word phrases, three-word phrases, etc.) allowing us to calculate the average conversion rate.

The extensive perspective of this data set is important, giving Oneupweb the broadest view of trends from hundreds of thousands of queries.

Focus on High-Traffic Keywords /::

In addition to using data from all the keyword searches tracked by ROI trax® (Full Database Review), we conducted a more focused analysis of only high-traffic keywords. Oneupweb collected and evaluated traffic and conversion rate data for the top 100 keywords for each company as determined by unique visitor traffic (High-Traffic Keyword Analysis). In doing so, we can see if the relationship between keyword length and conversion rate holds for high-traffic keywords.



Plus, the focused list allows us to remove mitigating factors. For example, occasionally a search will return irrelevant results, either from errors the user made in the query or errors the search engine made in interpreting content. Hypothetically speaking, one might type “e mail marketing ROI optimization” and get Oneupweb information when an email marketing firm would be more appropriate. These erroneous searches and irrelevant search terms have very low traffic, most often. In looking over a month’s data, one or two unique visitors for a search of this kind is typical. By focusing on the top of the list, we remove the effect of that data.

Also, a company’s name is typically a highly-trafficked search term. We believe people searching for a particular company’s name are predisposed to making a purchase (or conversion) specifically from that company. We wondered if deleting these terms would change the relationship between keyword length and conversion rates. Using the focused list of high-traffic keywords, we were able to delete terms like (hypothetically speaking) “Acme.com,” “Acme” or “Acme Co widgets” from the data. More than 70 percent of these corporate keywords were 1-word and 2-word phrases.

What did we learn? /::

We believed that conversion rates would increase as the number of words in a search query increased. And for the most part, the data confirms our hypothesis. There were two surprises in the data from the Full Database. First, we noted that single-word keywords had a higher conversion rate than two-word keywords. And we were surprised to learn that after four keywords, the conversion rate dropped. The graph (figure 1) shows just how similar these trends are from month to month. Keep in mind the averages represented here are from hundreds of thousands of keyword searches in a single month.

Data from all three months shows that single-word keywords have two to five times higher conversion rates than two-word keywords. In October and December, single-word keywords had higher conversion rates than any other category.

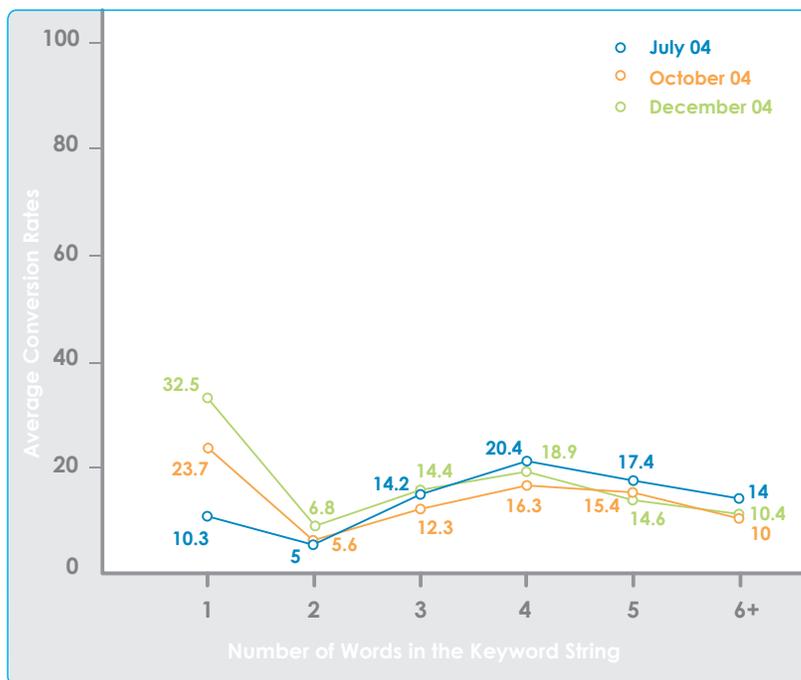


Figure 1 /::
Full Database
(corporate names included)



The drop in conversion rate of query strings longer than four-terms is consistent across all three months. There are several situations that may be supporting this trend:

- Searchers may be looking for very specific products, services or information that they don't find
- Searchers using longer strings may be asking specific questions, indicating that they are still investigating a product or service; they may use a shorter string later when they are ready to buy or take action
- Search engines may not be effectively interpreting five-word searches, returning less relevant results and discouraging conversions

For more insight into this trend, we looked at the High-traffic Keywords data (figure 2). Again, the data from month to month showed similar trends. And, data from all three months exhibits the same surprising drop in conversion rates after an apex is reached at four-word keywords.

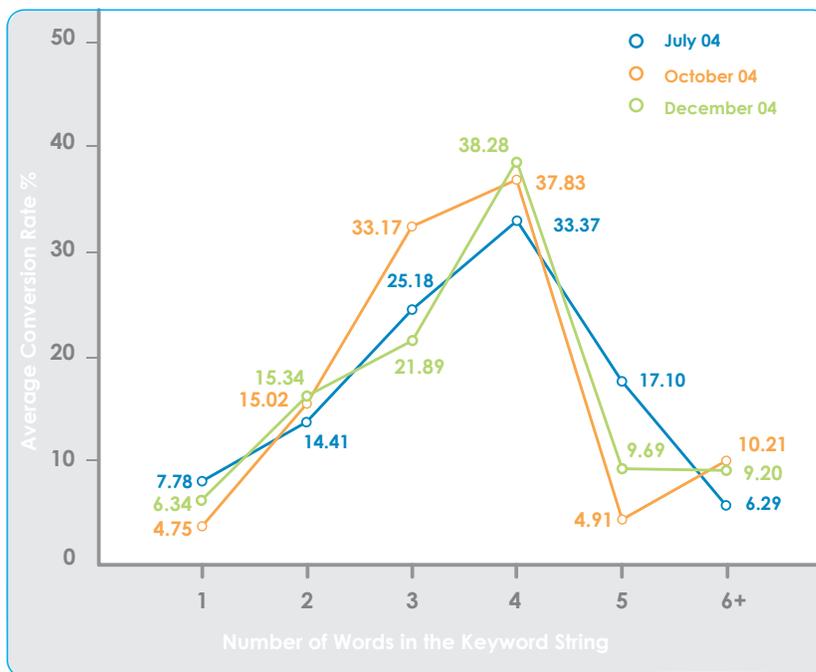


Figure 2 /::
High-Traffic Keyword Review
Defined by Total Unique Visitors
(corporate names deleted)

The most remarkable difference from the results of the Full Database to the High-traffic Keywords, is the single keyword data. In the High-traffic Keywords, we removed corporate names and low traffic-keywords from the analysis. Without these keywords contributing to the results, the trend indicates that single keywords don't have the higher conversion data shown by the previous group. The trend here is more congruous with our hypothesis that longer keyword strings have higher conversion rates, with the exception of the drop after the apex.

Traffic Issue /::

To further understand the business impact of keyword length, we also reviewed average traffic per keyword. Again, we looked at the Full Database and the High-traffic Keywords. A review of the Full Database revealed that



single-keywords have on average the highest average number of unique visitors (figure 3). Keep in mind that the Full Database includes corporate names.

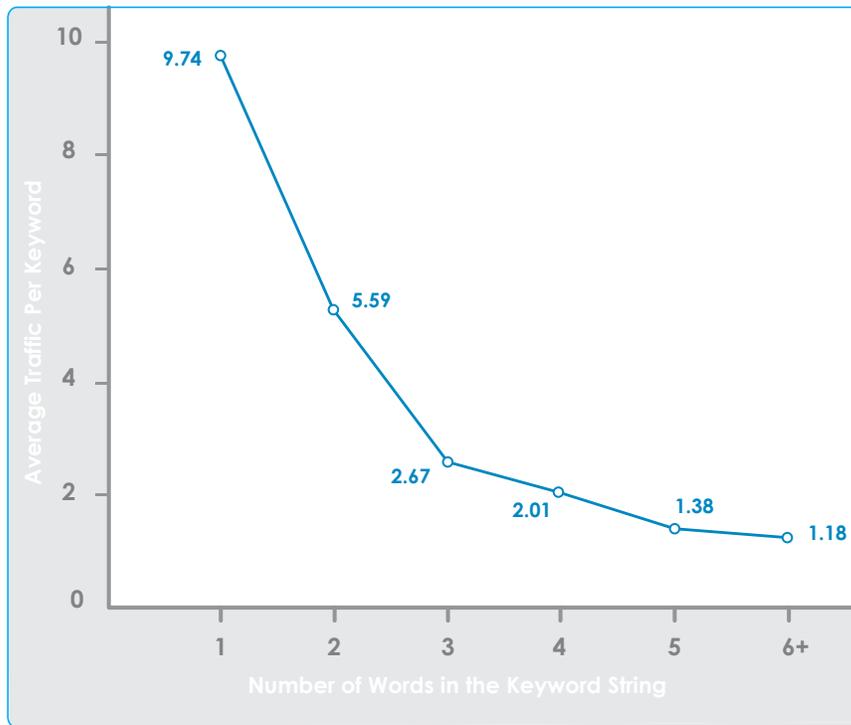


Figure 3 /::
High-Traffic Keywords
Average Traffic Per Keyword

The average traffic data for High-traffic Keywords showed a different trend. Single and two-word phrases have very nearly the same average with two-word phrases having slightly more traffic. Generally, shorter phrases had more traffic than longer keyword phrases.

Our hypothesis was that traffic would drop as the length of keyword increased. The data confirmed our hypothesis and the traffic trend drops steadily as the length of the keyword phrases (or strings) increases.

(Note: As expected the High-traffic Keywords analysis has a higher average number of unique visitors per keyword than in the Full Database. The Full Database is averaging hundreds of thousands of records, whereas the High-traffic Keywords Analysis by definition is limited to records with high traffic.)

See Figure 4 on Pg 7 →



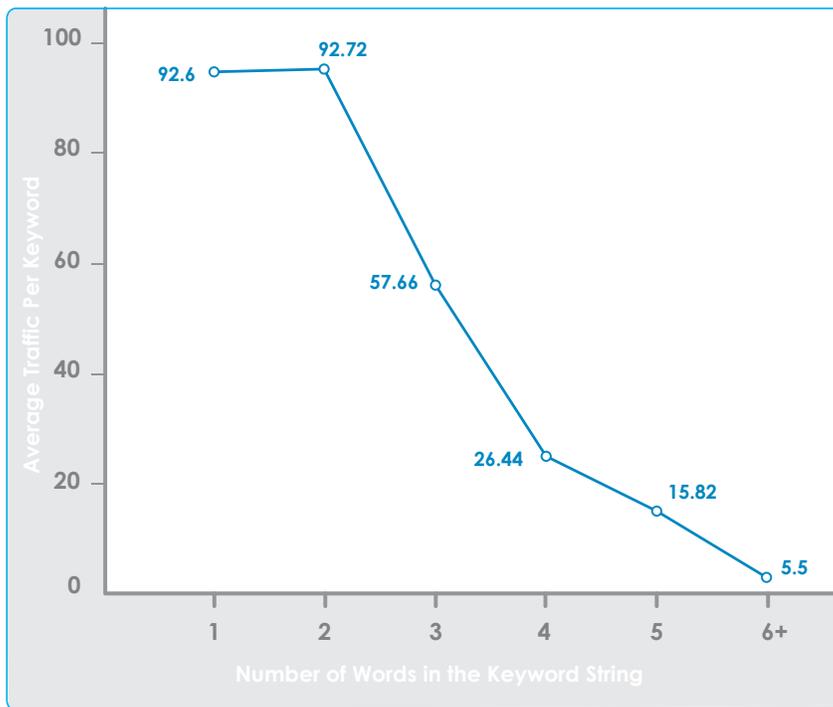


Figure 4 /::
Full Database
(corporate names included)

How to Apply this Information /::

Based on these findings, Oneupweb is recommending that, for optimal conversion rates, it is worthwhile to focus on expanding optimization to three-word, four-word, and as appropriate, five-word strings. Oneupweb is not suggesting companies ignore single keywords in their campaigns—but instead, to add incremental effort to optimizing relevant multi-word keyword strings ranging from two to five words in length.

None of this analysis accounts for factors like search engine results position, website usability, seasonality, or the competitive climate. And so we caution marketers from thinking that optimizing for longer keywords will magically increase conversion rates, on its own. To be successful, an effective search engine optimization and marketing plan is a complicated analysis of the market and website factors affecting a business in its industry. Being optimized for longer keywords is only one factor in the mix.

Using our hypothetical example, “Acme widget” is a relevant term for Acme. Additional, longer strings might include, “what is Acme widget,” “definition of Acme widget,” “usage tips for Acme widget” and “Acme widget white papers,” or “maximizing performance using widgets”

Knowing which keywords to optimize is easier using a reliable conversion analytics tool such as Oneupweb’s ROI trax®. Marketers with access to data showing which keywords strings bring the highest conversions and which bring the most traffic for natural search results, can more easily and favorably modify search engine optimization campaigns.



Methodology/::

Oneupweb collected data using ROI trax® (a proprietary search analytics conversion tool designed by Oneupweb). We gathered traffic and conversion rate data related to keyword searches for the months of July, October and December, 2004. Oneupweb's database includes data from hundreds of companies with millions of records, both Business to Consumer (B2C) and Business to Business (B2B). Some are online retailers, others use websites to generate leads or provide information.

We divided the data into categories by the number of words in the search query—one-word phrases, two-word phrases, three-word phrases, four-word phrases, and five-word phrases. Data from six-, seven- and eight-key-word phrases were averaged together and included in a six+ category on the graphs. We then calculated the average conversion rate for each category.

“Conversion rate” is defined as the percentage of unique visitors that purchased or converted. The monetary value of the sale or conversion was irrelevant to our study; we focused on the number of sales or conversions as a percentage of traffic.

“Traffic” refers to the number of unique visitors coming to the site for the first time. Return visitors aren't tallied again as traffic. The companies in this study generally communicate, market and sell to North American audiences, with the largest focus on the U.S., although we didn't exclude international traffic from the study.

The Full Database Review /::

Oneupweb technology extracted ROI trax data for this study. The technology mined traffic and conversion rates from millions of records included in Oneupweb's database. The program then divided the data by month into categories based on the number of words in the query (one-word phrases, two-word phrases, three-word phrases, etc.) allowing us to calculate the average conversion rate.

The High-traffic Keywords Analysis /::

Oneupweb also examined the top 100 keywords as determined by traffic. In doing so, we can see if the relationship between keyword length and conversion rate holds for high-traffic keywords. The focused list allowed us to remove mitigating factors like irrelevant results, either from errors the user made in the query or errors the search engine made in interpreting content. By focusing on the top of the list, we removed the effect of that data.

Also, a company's name is a high-traffic generating search term. We believe people searching for a particular company's name are predisposed to making a purchase (or conversion) specifically from that company. Most of these corporate keywords were 1-word (40 percent) and 2-word (31 percent) phrases (19 percent were 3-word phrases; 7 percent were 4-word phrases and 3 percent 5-word phrases).

Below are the tables of raw data used to generate the graphs for the average conversion rates per keyword.

Average Conversion Rates Per Keyword
(corporate names included)

Full Database	Average Conversion Rate (%)		
	July 04	October 04	December 04
one - word phrase	10.3	23.7	32.5
two - word phrase	5	5.6	6.8
three - word phrase	14.2	12.3	14.4
four - word phrase	20.4	16.3	18.9
five - word phrase	17.4	15.4	14.6
six+ - word phrase	14	10	10.43

Average Conversion Rates Per Keyword
Defined by total unique visitors
(corporate names deleted)

High-traffic Keyword Review	Average Conversion Rate (%)		
	July 04	October 04	December 04
one - word phrase	7.78	4.75	6.34
two - word phrase	14.41	15.02	15.34
three - word phrase	25.18	33.17	21.89
four - word phrase	33.37	37.83	38.28
five - word phrase	17.10	4.91	9.69
six+ - word phrase	6.29	10.21	9.20



Additionally, Oneupweb used ROI trax® to provide average traffic per keyword. Again the data was divided into keyword length categories. The tables from the raw data used to generate the graphs for the average traffic per keyword graphs are below.

Average Traffic Per Keyword
(corporate names included)

Full Database	Average Number of Unique Visitors Per Keyword
one - word phrase	9.74
two - word phrase	5.59
three - word phrase	2.67
four - word phrase	2.01
five - word phrase	1.38
six+ - word phrase	1.18
six - word phrase	1.20
seven - word phrase	1.16
eight - word phrase	1.12

Average Traffic Per Keyword
Defined by total unique visitors
(corporate names deleted)

High-traffic Keyword Review	Average Number of Unique Visitors Per Keyword
one - word phrase	92.26
two - word phrase	92.72
three - word phrase	57.66
four - word phrase	26.44
five - word phrase	15.82
six+ - word phrase	5.54
six - word phrase	5.42
seven - word phrase	3.92
eight - word phrase	7.90

