

## How To Value Links

by Jeremy Bencken

SEO: "So according to your sales forecast, you need 1,000 web leads per month, but your [PPC](#) budget only gets you 600, so the remaining 400 need to come from [SEO](#)."

Client: "Yep."

SEO: "OK, to do that, we need to increase your organic traffic by 50 percent. Since your site already has lots of good content and on-page optimization is done, we need push up your rankings and that's going to require serious link building."

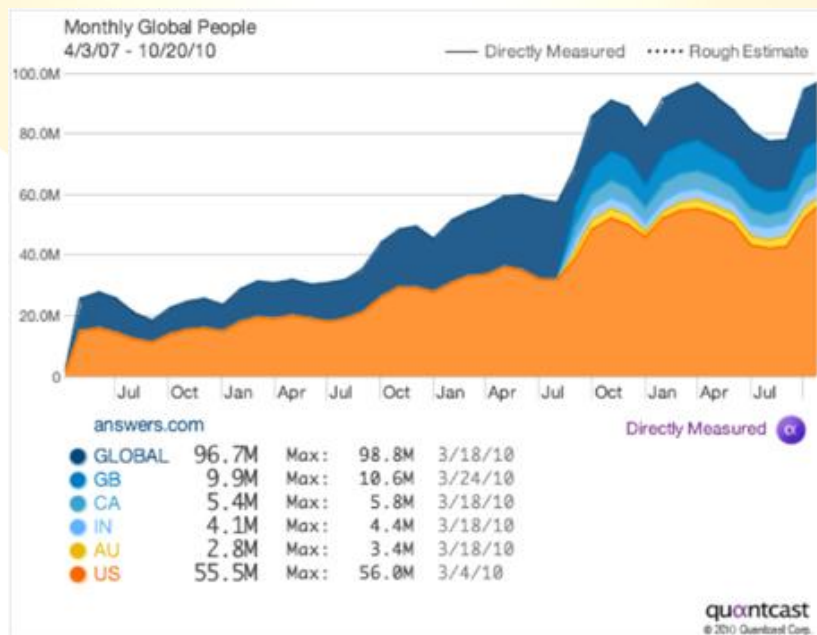
Client: "That sounds expensive. How much should I budget?"

SEO: "Um..."

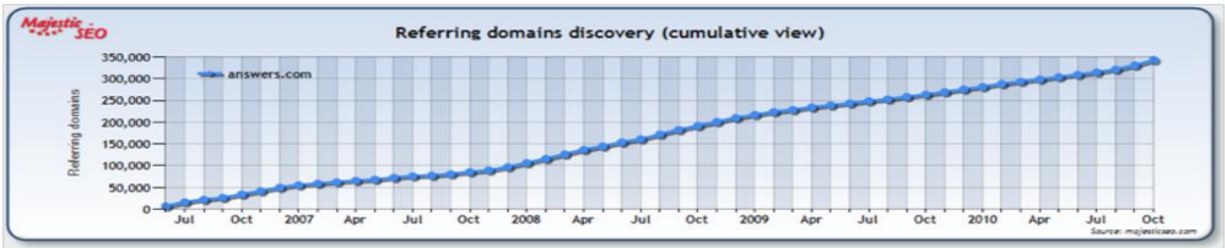
Is this where beads of sweat form on your head? Don't feel bad. This is perhaps the hardest question to answer in SEO. But it's not entirely impossible to answer.

### Correlation Between Links, Traffic

Look at the two graphs below. The first shows traffic for [answers.com](#), a site that, according to [SEMRush](#), is one of the most popular websites in the world from organic search.

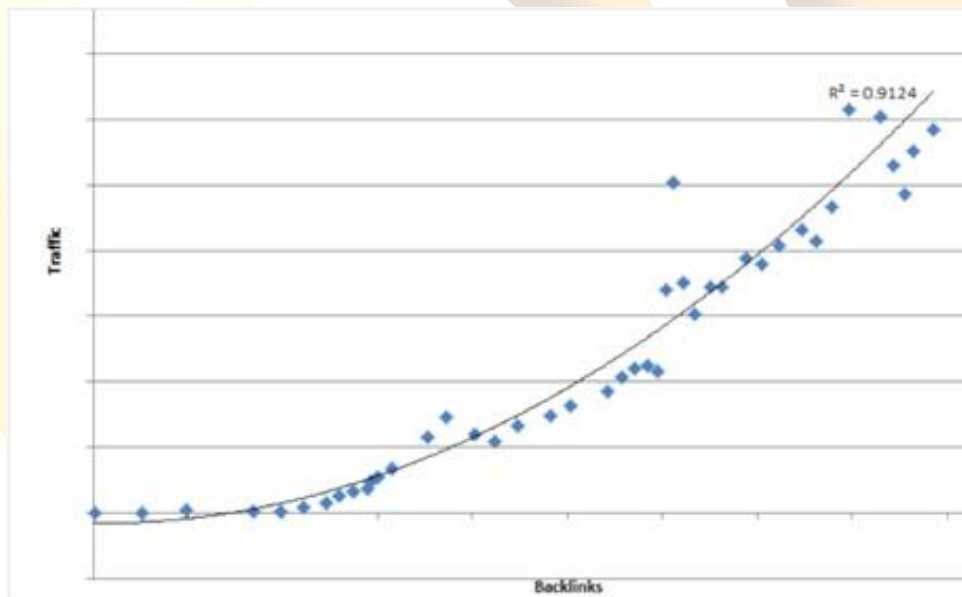


The next chart from [Majestic SEO](#) shows the growth in their backlink profile over the same period.



Notice the correlation between cumulative links and traffic? When I analyzed data from a major e-commerce site (in the millions of unique visits per month from organic search), I found a *93 percent* correlation between links and traffic! The site in question had done almost everything right from a content, on-page, internal linking, architecture, and speed perspective, so the only thing they need was links.

For reference sake, here's the chart showing cumulative backlinks versus organic search traffic:



It's worth pointing out that correlation does not equal causation. In fact, it would be fairly odd for a site that attracted millions of organic visits to *not* attract links (although I have run across this). But correlating links to traffic provides one approach to valuing links.

### A Relatively Simple Valuation Approach

The basic intuition is this: new links drive rankings, which contributes some marginal new monthly traffic. I'll leave the standard set of all-things-being-equal-never-are disclaimers out and focus on the high level thought.

You should look at your site's historical relationship between links and organic traffic and extrapolate. You can also look at a similar site in the same industry. Pull a report on their backlinks-over-time, match

that to traffic-over-time, and draw some conclusions about how your backlink profile will probably need to look at that traffic level.

So if we imagine the conversation above, the SEO could tell the client, "Well, to increase traffic by 50 percent, we're going to need to increase our link footprint by 65 percent, maintaining the same quality, so that will be 600 new links in six months, and since we know the traffic is valued at \$60,000 per year, we should be willing to spend \$100 per link on average."

We know that businesses don't stay around long by investing in net-breakeven projects, so in reality, we're going to need to establish a fair return on investment ([ROI](#)) for link building.

### **Link Building ROI**

Assuming you don't have prior experience to guide your estimates of how much it will cost to drive 600 links in six months, you can work backward by choosing a fair ROI target. Discount from the target value per link and assume what's the most you can spend to build the necessary 600 links.

In other words, if you need a 50 percent ROI, then your budget to deliver 600 links is \$30,000 -- or \$5,000 per month.

But wait, what's a "fair" ROI?

Here's the reality. It depends on many factors, including the effectiveness of the link builders and how inherently linkable a site is, linkability being the most important factor. Promoting weak linkable assets is pushing string.

So despite having reasonable method to estimate your link building costs, it all comes back to the quality of the content you can promote. If you have weak content that's hard to promote, there's increased risk of failing to deliver, regardless of how low of an ROI your client will accept.

### **Why Should Someone Link to Your Site?**

When you make a list of all the link building strategies, content you will need to create, arm twisting, and promotion involved, the most important consideration is how compelling the website is.

How easily does it answer the most important question in link building: why should someone link their site to yours? The harder it is, the more expensive.

Article Link: <http://searchenginewatch.com/3641486>

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