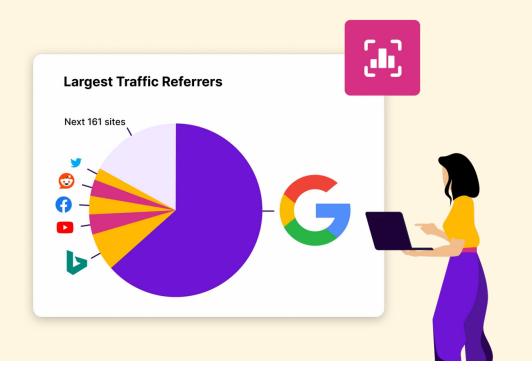




Whitepaper

# Al Optimization - what ecommerce leadership needs to know



## Artificial Intelligence (AI) recommendations are going to cause a revolution in how buyers search and shop.

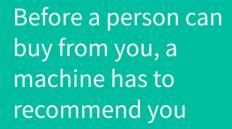
So far, so obvious. Everyone is talking about the coming AI wave, but many are making a **key mistake**. If you focus on how many people are using ChatGPT, on the noisy competition between different AI vendors, or on where to spend your "AI budget", you are missing out.

Your largest customer acquisition channel has already become Al-powered. Organic search is the most significant source of new customers for most ecommerce businesses. Google sends the vast majority of your organic search traffic to your website — and Google is all-in on artificial intelligence.

The search engine giant invented the <u>core technology</u> that underpins all modern machine learning (ML). It also replaced the leadership that was resisting the technology's inclusion in the core ranking algorithm and rolled out dedicated AI features to more users than all the AI startups combined. **Google is your biggest AI channel** (and nothing else comes close). So, when you're developing a marketing strategy for an AI-driven world, it should start with your organic Google plan.

Importantly, since Google has become Al-powered, doing SEO the "old way" is impossible. Expert recommendations, best practices, checklists, and agency audits no longer cut it.

Google's rankings are increasingly becoming more like human preferences embedded in machine learning models. So, the future of SEO lies in rigorous, continuous testing — the kind of tests you already run for user experience (UX), advert effectiveness, or conversions.





#### What to do

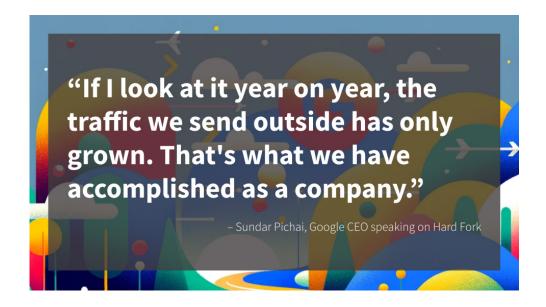
So, what does this mean for ecommerce leaders? Let's explore what you need to do now, next, and in the future.

Now	Next	Eventually
Build a plan around channels as they are, not how they used to be. This means focusing on how "core" organic search is ML-powered. Consider the techniques you need to implement to be recommended by the search algorithms' human-like preferences.	Be accessible to the next generation of large language model (LLM) based tools. Retailers should want these tools to learn about their products, availability, pricing, reviews, and specifications from their sites rather than their competitors' sites.	Extend experiments to other LLM-driven channels. Information in outdated training data will not suffice to meet the needs of commercial searchers. By the time LLM channels are significant in volume, they will also be responsive enough to test against.
<b>Action:</b> Build an SEO experimentation program.	<b>Action:</b> Audit the accessibility of your content to LLMs.	<b>Action:</b> Monitor the volume of LLM-driven traffic.

#### The opportunity is increasing

The retail sector has a unique advantage when it comes to Al-driven search. While media businesses risk having their core offering undercut by the output of the LLMs (Al-generated content), neither Google nor ChatGPT is going to ship products to your customers. They need to direct users to *some* retailer to complete the process. Your goal should be to ensure it's **you** as often as possible. So, it's important to view the rise of sources of product recommendations as an opportunity, not a barrier.

As recommendations improve and users get better, more personal advice, we should expect trade to grow. This theory is backed up by the data from Google. Sundar Pichai, Google's CEO, said on a recent podcast:

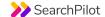


At a more granular level, this is supported by <u>data shared by Liz Reid</u>, the Head of Google Search, who said:



... we see that the links included in Al Overviews get more clicks than if the page had appeared as a traditional web listing for that query.

Liz Reid, Head of Google Search



It is no surprise that Google wants to continue directing large amounts of organic search traffic out of its ecosystem— especially for highly commercial intent searches. Its business model **relies on monetising** just a small fraction of that intent. It doesn't work if *all* commercial clicks are paid for because consumer trust collapses. So, our objectives as retailers are highly aligned with Google's strategy of continuing to be the biggest source of unpaid commercial traffic.

### How to build an SEO program fit for purpose in an Al-powered world

Google building Al-powered features like Al overviews are highly visible, but they conceal the bigger changes they have made. Google uses machine learning extensively to rank **all** links included on its results pages — whether traditional web links, product links, or image search results. The benefits for users are more personal recommendations, better search results, and a reduced feeling that the top results are just those that are best at SEO.

For retailers, however, it signals the end of an ability to manipulate the search results, the ineffectiveness of "checklist SEO", and gives us no reason to think that following the same best practices as our competitors will provide us with any sustained edge. If every searcher gets the best possible results *for them* and every search query is considered independently by an intelligent ML-powered algorithm, the ranking factors will differ wildly. We'll have to be prepared to stand out against our competition.

The key to both parts of this is experimentation. We have to prepare to test approaches that our competitors aren't doing and we need to measure the results of our hypotheses to understand what works best. Until recently, this kind of experimentation, which is common in paid search, UX testing and conversion rate testing, has not been possible in organic search.

Innovations in <u>running valid SEO experiments</u> and <u>applying machine learning techniques to</u> <u>measure their impacts</u> have made it **possible** to bring the same rigour to SEO programs that have always been expected of paid media channels. The growth of AI in the ranking algorithms has made it **necessary**.

Read more about how it's working in the real world with the story of how M&S achieved 190% of their annual SEO target in just 3 months.

