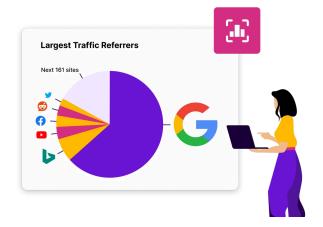


## Al Optimization - what ecommerce leadership needs to know

Al 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 AI-powered. Organic search is the biggest source of new customers for most ecommerce businesses, Google sends the vast majority of your search traffic, and Google is all-in on artificial intelligence.

Having invented the core technology underpinning all modern machine learning, replaced the leadership that was resisting its 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 it's not even close.

When you ask for a marketing strategy for an AI-driven world, the answer should start with your organic Google plan.

Importantly, as Google has become AI-powered, it's become impossible to do SEO the old way. Expert recommendations, best practices, checklists, and agency audits no longer cut it.

Google's rankings are becoming more and more like human preferences embedded in machine learning models, and so the future of SEO lies in testing, just like the ways we test for user experience, advert effectiveness, or conversion:



Before a person can buy from you, a machine has to recommend you Machine preferences are human-like

## What to do

Now	Next	Eventually
Build a plan around channels as they exist. This means a focus on the way that "core" organic search is ML-powered. Consider the techniques you need to implement to be recommended more by the human-like preferences of the search algorithms.	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'.	In order to serve the needs of all commercial searchers, LLMs will need to be "fresh".  Information in outdated training data will not suffice. By the time LLM channels themselves are significant in volume, they will be responsive enough to test against too.
<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.

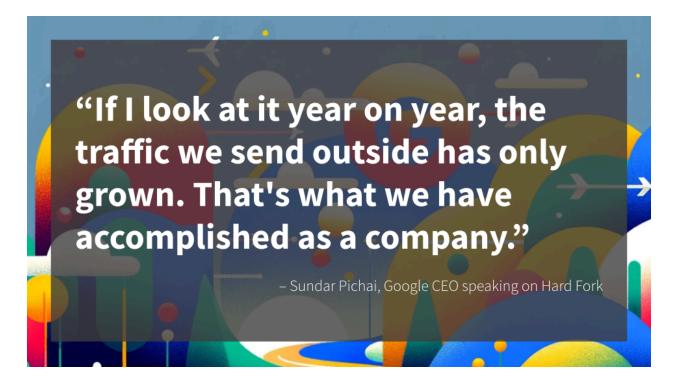
## The opportunity is increasing

The retail sector has an advantage in benefiting from any and all increases in sources of product recommendations. Unlike media businesses, for example, that risk having their core offering undercut



by the output of the LLMs, neither Google nor ChatGPT is going to ship product to your customers, so the end of the process *has* to result in the user being sent to *some* retailer. Our goal should be to make sure it's us, as often as possible.

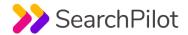
As recommendations improve, and users get better, more personal advice, we should expect trade to grow. This theory is backed up by the data from Google. Sundar Pichai, Google's CEO said on a recent podcast:



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 AI Overviews get more clicks than if the page had appeared as a traditional web listing for that query"

It is no surprise that Google wants to continue to direct large amounts of organic search traffic out of their ecosystem - especially for highly commercial intents - because their 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 AI-powered world

Google building AI-powered features like AI overviews is highly visible, but conceals the bigger changes they have made. Machine learning is now used extensively to rank <u>all</u> links Google includes on its results pages - whether traditional web links, product links, or image search results.

The benefit for users is more personal recommendations, better search results, and a reduction in the 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 give us any sustained edge.

If every searcher is getting 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 and we'll have to be prepared to stand out against our competition.

The key to both parts of this is experimentation: we have to be prepared 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 and other media, is widely-used in user experience testing and conversion rate testing, has not been possible in organic search.

Innovations in <u>how to run valid SEO experiments</u> and in <u>applying machine learning techniques to</u> <u>measuring their impacts</u> have made it <u>possible</u> to bring the same rigour to SEO programs that has 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.