



Retail Searchology

A Discussion About the State of Search

Google/Compete
U.S., June 2009

Methodology for “Changing Role Of Search” Focus Groups

Research

7 3-day Online bulletin boards
May 27 - June 10 | 84 participants total

To understand the why's behind the purchase decision process, the role of search, search behavior, and how the mindset and process have changed

Why online bulletin boards?

- We can talk to more respondents across diverse geographies and/or target audiences
- Respondents can participate at their leisure each day, leading to greater depth and engagement
- Uninfluenced responses allow participants to speak their mind first, then comment on others' answers; respondents can then return to the discussion to interact by commenting on others' postings
- Like traditional research, we have the ability to add/refine questions at any time and probe individuals or the entire group during the course of the discussion

Participants

In the last 6 months, must have done one of:

- Used Search engines to inform their decision
 - Have used search engines for research for more than 2 years and do so at least every couple months
 - Make online purchases at least every couple months
 - At least 3/4 per group use Google
 - 3/4 must work full-time, except in education group
 - Age criteria 18-64, varied by group
 - Some college or higher
 - HHI 40K+, except Investment group 150K+
1. Bought a [home improvement](#) item
 2. Bought [apparel or shoes](#)
 3. Bought [consumer electronics](#)

Searchology: Key Trends

1 Focus: value & deals, savvy searchers

2 More research, more Search

3 Search driving more site visits, more conversions, and more qualified visitors

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Consumers Have Changed How They Shop



“I have spent more time trying to find exactly what I am looking for instead of settling for something cheaper that might not be the exact thing.” – APPAREL

“If it’s not broke, I’m not fixing it right now.” – HOME IMPROVEMENT

“I am buying fewer items because my budget has been downsized.” – CONSUMER ELECTRONICS

“I have been more patient with waiting for items to go on sale and shopping multiple websites for the best deal.” – APPAREL



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Source: “Changing Role of Search” Focus Groups, May 27-June 10, 2009

Consumers Are Focused on Value & Deals



“No purchase is made without at least attempting to locate a coupon code for 15-20 minutes.” – APPAREL AND SHOES

“I have shopped on line more frequently than last year because many companies offer free shipping.” – APPAREL AND SHOES

“I try to use coupons 100% of the time, I look for them 100% of the time.” – CONSUMER ELECTRONICS

“Yes, I am more willing to invest more time in locating a bargain in comparison with one year ago.” – HOME IMPROVEMENT

“I research products more thoroughly now to be sure I’m getting the best quality for the price.” – HOME IMPROVEMENT



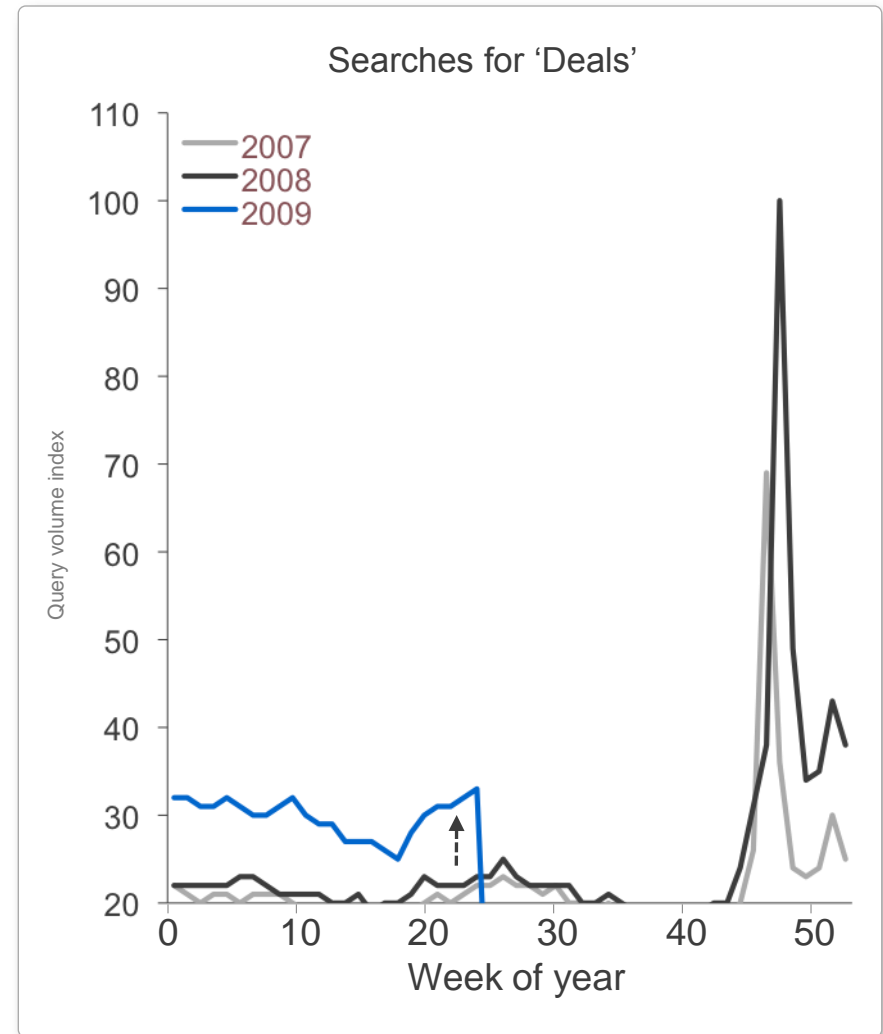
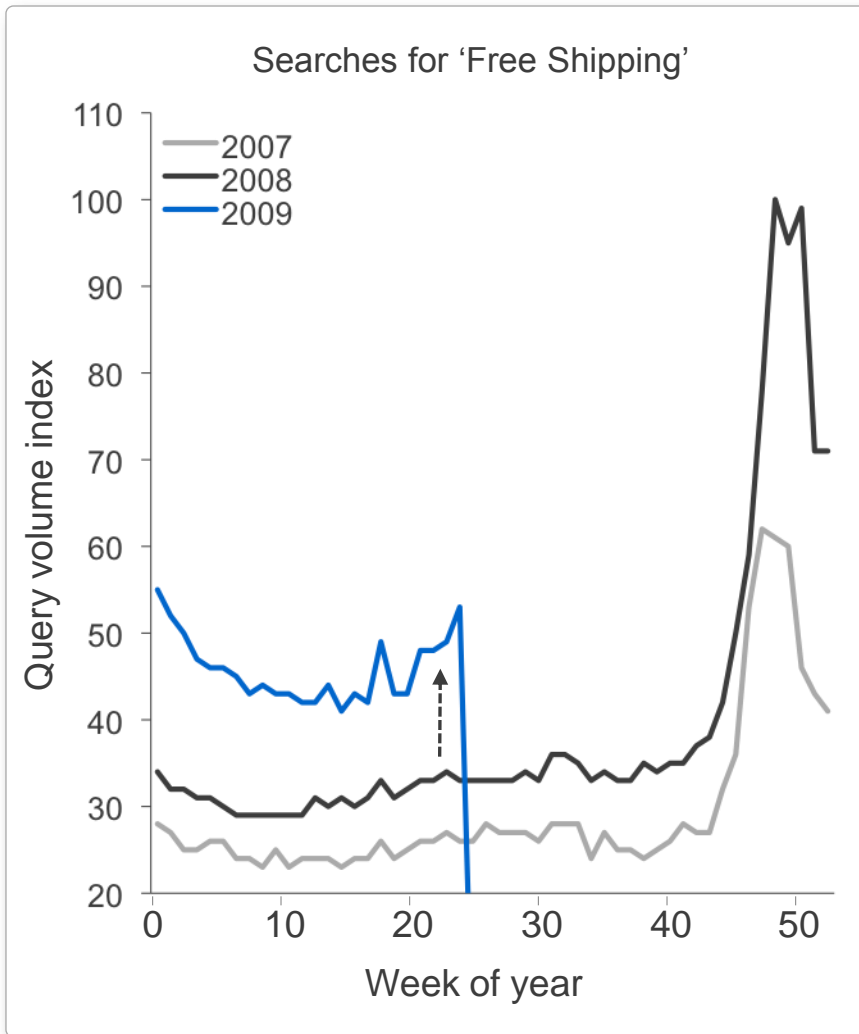
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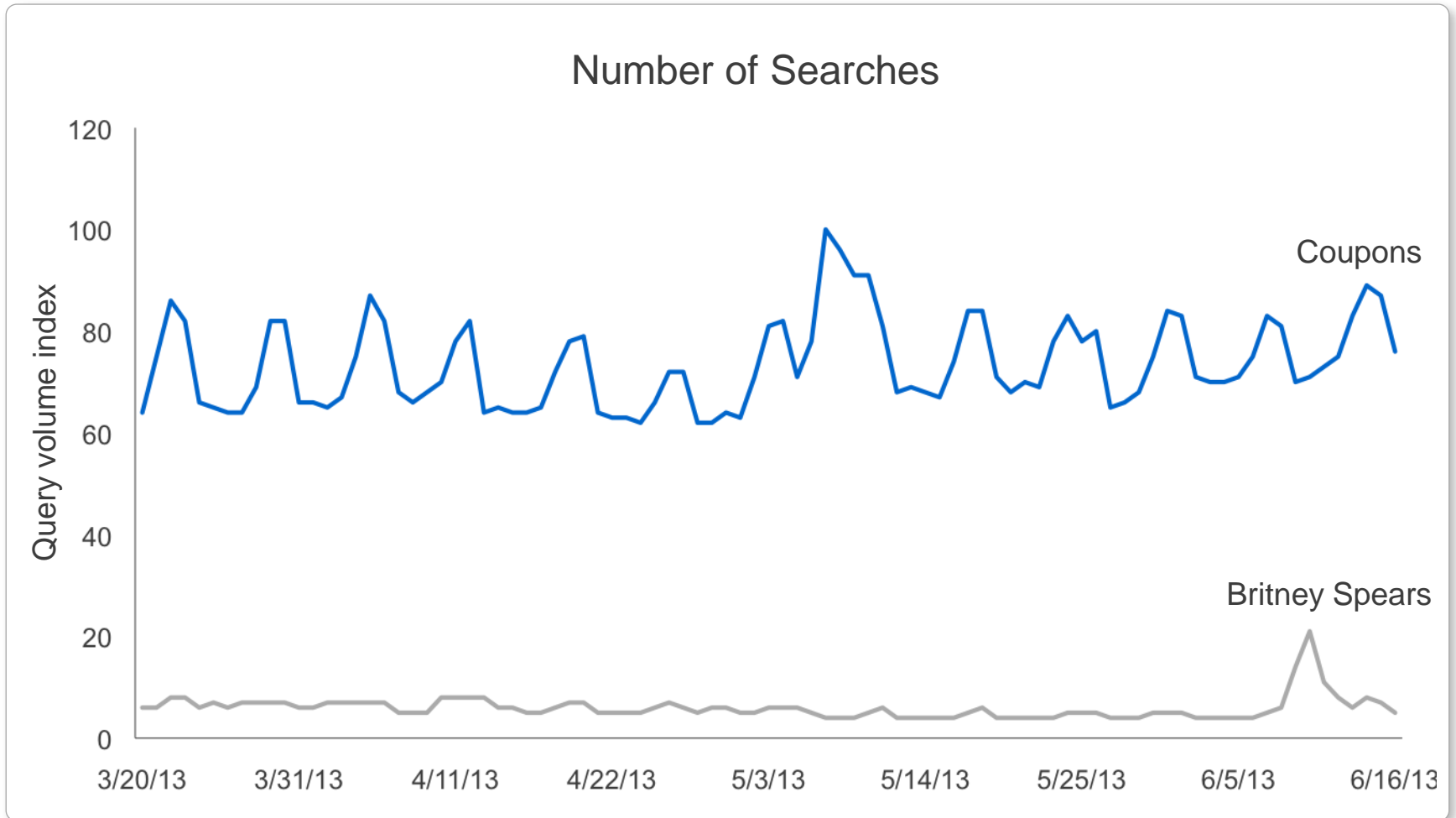
Heightened Interest in “Free Shipping” & “Deals”



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with Google. Source: Google Internal, Insights for Search, 2009

“Coupons” are Bigger than “Britney”



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with Google Source: Google Internal, Insights for Search, 2009

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Consumers Are More Sophisticated Searchers



“I think as I have become more proficient using the internet, I have found the most specific you can be on using a search engine, the better the results of finding what you want. That usually involves using more key words.” – APPAREL & SHOES

“If I want a Nike backpack, searching for only the term “backpack” is very counter-productive and, frankly, a rookie mistake.” – APPAREL & SHOES

I will find the model online at homedepot.com. Then I will type into Google, ‘Ryobi Table Saw XYZ review’ and see those reviews as needed.” – HOME IMPROVEMENT

“I have learned to be much more specific. So I would use brand name keywords to ensure I didn’t get a lot of useless information.” – CONSUMER ELECTRONICS

“I need a pole tree trimmer, so I just entered ‘pole tree trimmer’ in Google, and then Black & Decker and Ski I came up, so I searched ‘Skil pole tree trimmer reviews’.” – HOME IMPROVEMENT



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Researching More Overall



“The economy has got me researching like never before.” – HOME IMPROVEMENT

“I am doing more research so I can make a purchase confidently.” – CONSUMER ELECTRONICS

“I do more research now in order to save time and money.” – CONSUMER ELECTRONICS

“I research until I am comfortable with my decision regardless of how much time is spent.” – HOME IMPROVEMENT



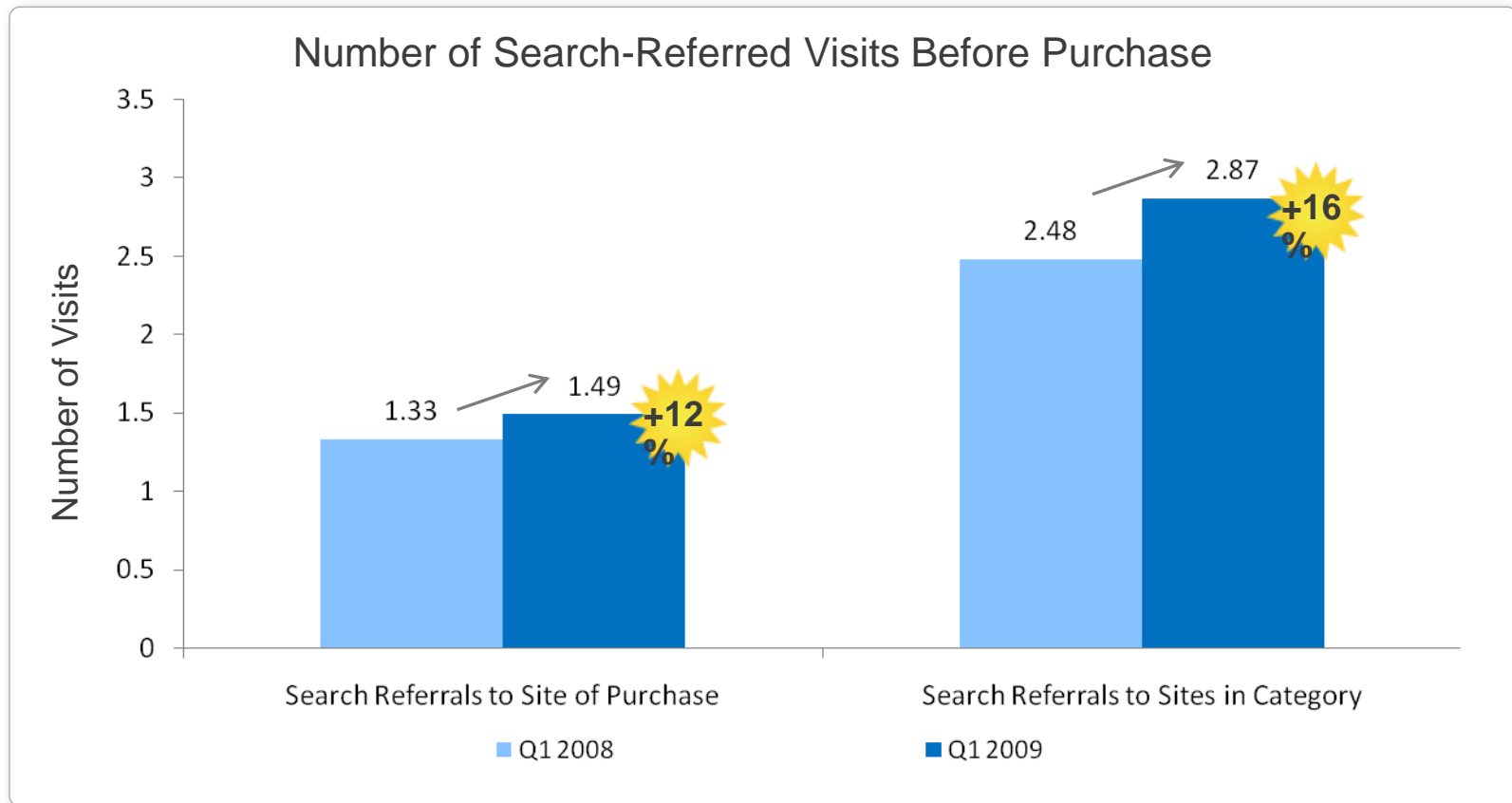
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with Google[®] Source: “Changing Role of Search” Focus Groups, May 27-June 10, 2009

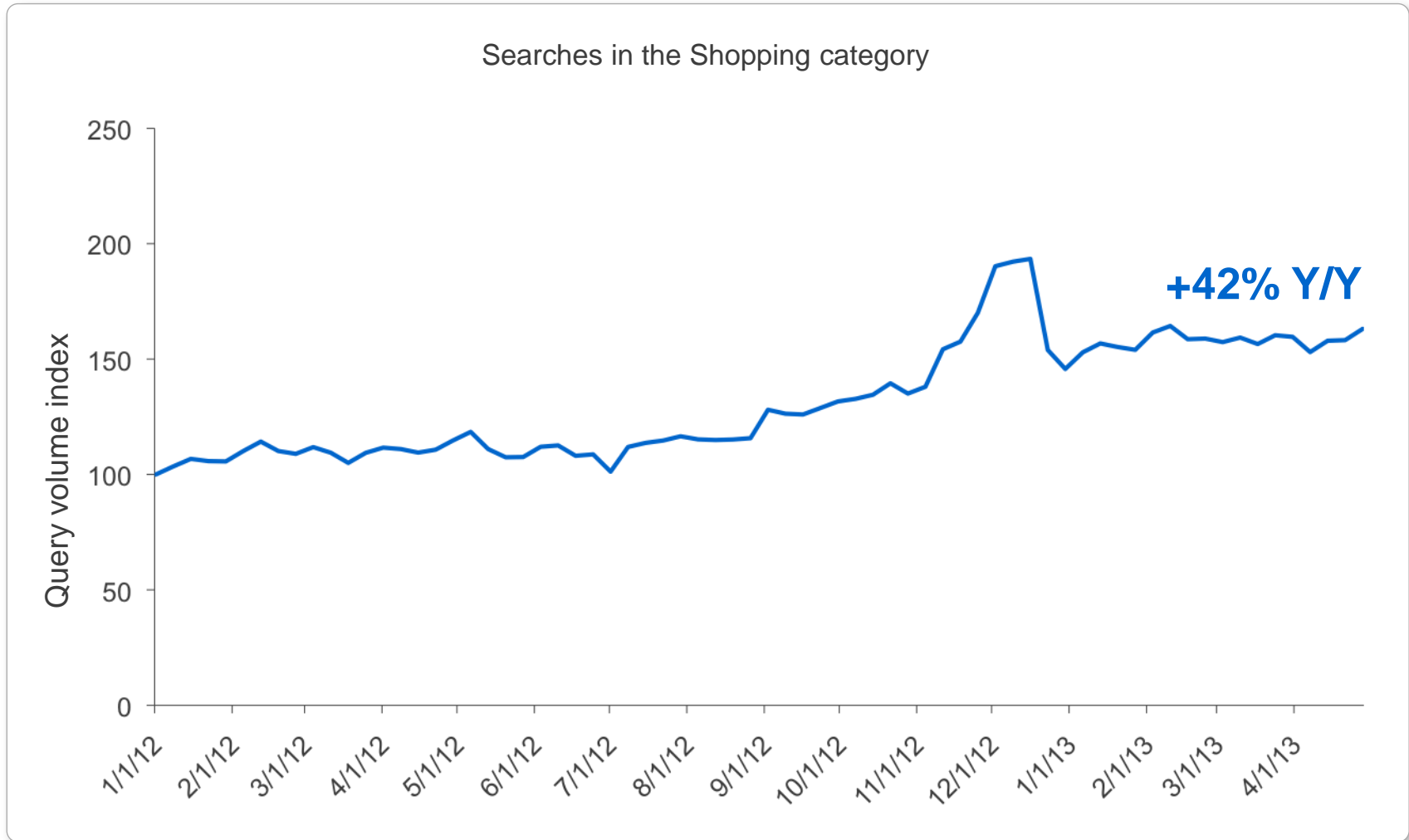
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Home Furnishings Consumers Are Shopping Around Before Purchasing

Consumers are doing more research, visiting more sites before purchasing.



Search is Growing, Too



Search is Integral to Research



“I use search engines more and more because I use them to try and save a few dollars, and I’ve just learned how many ways are out there for me to save money.”

– HOME IMPROVEMENT

“If I didn’t know a brand, I would use [search] until I found consistently positive reviews and select the product....When I selected the style, I would use the [search engine] to find the best price.” – APPAREL

“Search engines seem to be more up to date and instant whereas catalogs and fliers go out of date” – HOME IMPROVEMENT



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Source: “Changing Role of Search” Focus Groups, May 27-June 10, 2009

Why Consumers Search



1. Category information

“In the beginning I just use a simple start for a search - At the start I want as much general info I can get - because maybe there’s something new out there I should know about.”
– CONSUMER ELECTRONICS



2. Product information

“I found some brands using the search engine and then looked up the retail and manufacturer sites, since those seem to have more extensive product descriptions.”
– HOME IMPROVEMENT



3. Price information

“I use search engines to find coupons 100% of the time.”
– HOME IMPROVEMENT
“They are most effective for comparing prices. This has not changed.”
– APPAREL & SHOES



4. Link to Store / Offline

“I use the search engine to locate the closest store.”
– HOME IMPROVEMENT
“I start researching online, and then I head to the store...Researching online prepares me for the store.”
– HOME IMPROVEMENT



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Source: “Changing Role of Search” Focus Groups, May 27-June 10, 2009

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Search is the Go To Source to Find Coupons



“I now use search engines to get the best price of all items.” – HOME IMPROVEMENT

“I find the product I want, then the retailer I want to shop. I then search for coupons for the product and retailer.” – HOME IMPROVEMENT

“I use search engines when I am having difficulty in finding the item I am looking for. I also use them to compare prices.” – APPAREL AND SHOES

“100% of the time I am searching for the code or a site that might have a code using the search engine. I never go directly to a coupon site.” – CONSUMER ELECTRONICS

“I use search engines to find coupons 100% of the time.” – HOME IMPROVEMENT

“Once I find the best of whatever I'm looking for, I then focus on searching for the best price.” – CONSUMER ELECTRONICS



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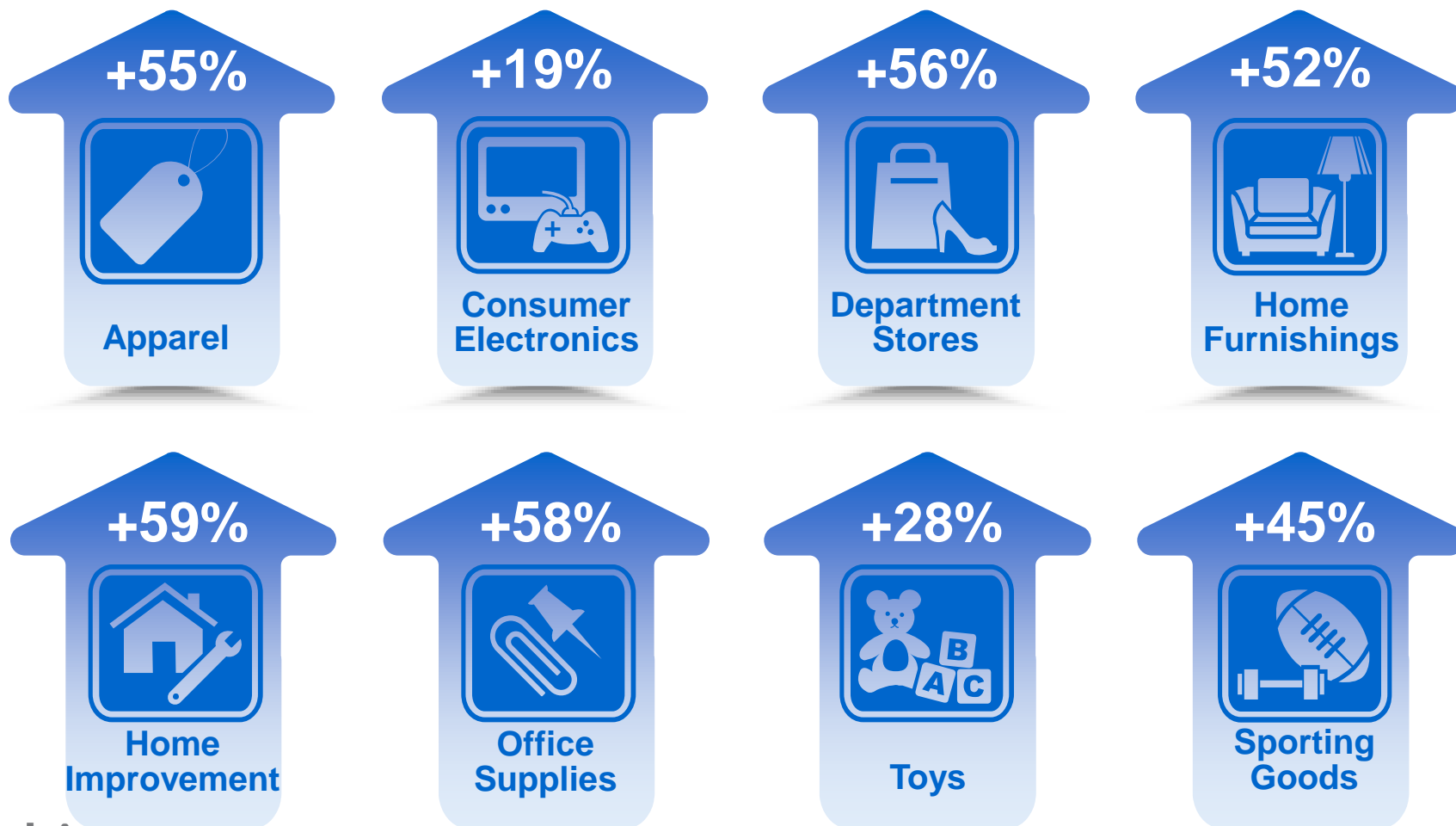
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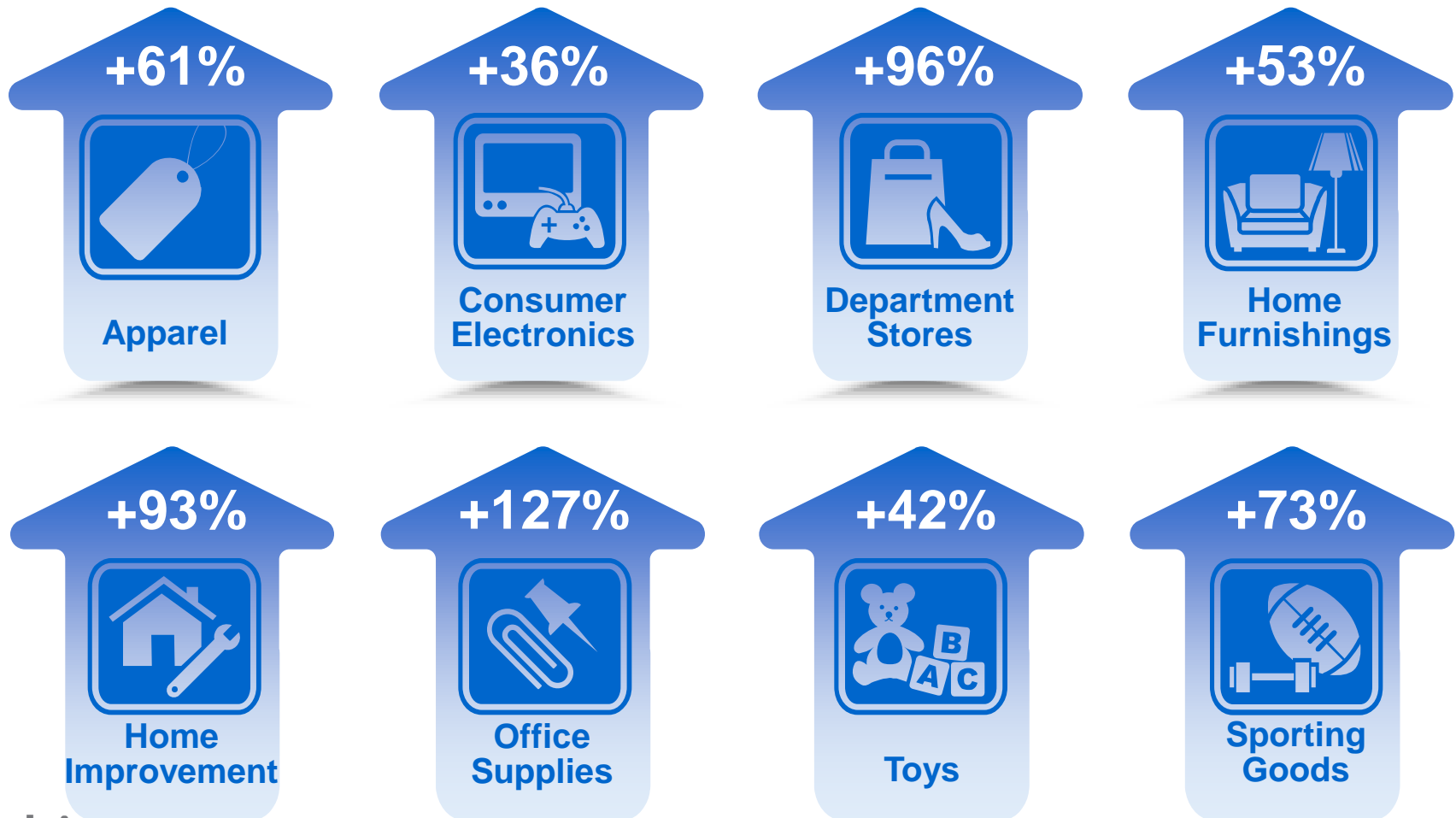
Search Driving More Site Visits Across the Board

Search-driven referrals have increased dramatically year-over-year.



Search is Driving More Conversions than Ever

Conversion rate growth outpaces search referral growth across the board—search is bringing more qualified traffic than ever before.



Summary of Retail Searchology: Key Trends

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