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Search Before the Purchase

Understanding Buyer Search Activity as it Builds to Online Purchase

Executive Summary

To better understand how consumers use search engines in the online purchase process, DoubleClick commissioned comScore Networks to use its panel of 1.5 million U.S. Internet consumers to provide further insights. comScore identified people who made purchases on one of 30 sites in four categories: Apparel, Computer Hardware, Sports/Fitness and Travel. comScore then captured all relevant search activity of those buyers within the four specific categories during the 12 weeks prior to purchase, separating their search terms related to their ultimate purchase topic from other types of searches they may have conducted. (For details refer to the Methodology section at the end of this report.)

Summary of Findings:

- Search plays a role in roughly half of all online purchases.
- The majority of pre-purchase search activity (searches and clicks) involves generic terms, not the merchants' brands.
- Branded terms peak in search activity closer to the purchase.
- Most buyers complete their relevant search activity well in advance of the purchase.
- Generic terms represent an opportunity to attract and engage in-market searchers throughout the buying cycle.
- Search result analyses (sales and ROI) that consider only a short period prior to purchase do not account for the value of generic search activity earlier in the buying cycle.

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Finding Details

Half of All Buyers Search Before Their Online Purchase

comScore found that, in roughly half of all cases, consumers conducted searches related to the category of their purchase some time in the preceding 12 weeks, as shown in Figure 1. That is, one out of every two online purchases is preceded by research on a search engine.

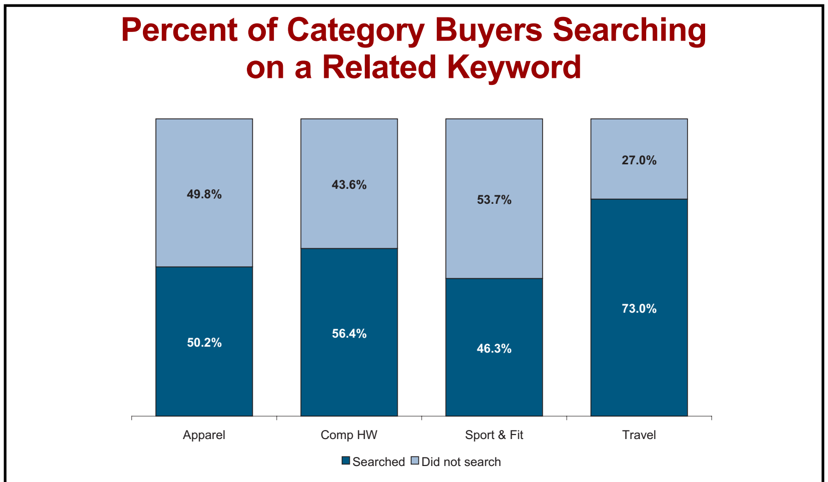

Figure 1

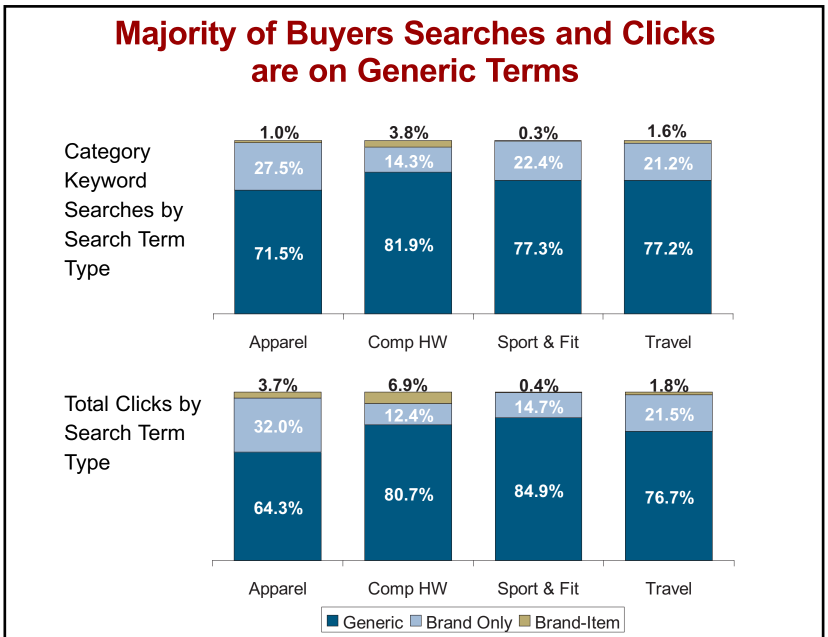

Figure 2

In the case of the travel purchases (based on five airline sites and two general travel commerce portals), nearly three out of four travel buyers consulted search engines before making a purchase.

The number of searches leading up to the purchase varied by category. Buyers on sports/fitness sites conducted 2.5 relevant searches; apparel buyers made 4.7 relevant searches; computer hardware buyers, 4.9, and travel buyers averaged six relevant searches in the 12 weeks before their transaction.

Majority of Buyers' Searches and Clicks Are on Generic Terms

A significant majority of searches performed by buyers were "generic"; that is, did not include the brands of the retailers. Searches that included merchants' brand names accounted for only 18.1% to 28.5% of all the in-market searches those buyers conducted, depending on the respective purchase categories, as shown in Figure 2.

The pattern of clicks closely resembled that of searches: the vast majority of all clicks buyers made on in-market search terms were for words and phrases that did not include variations of the selected merchant brands, also shown in Figure 2.

A small minority of all the searches (4% or less for each category) were for "Brand + Item Searches"; that is, compound phrases that included a merchant's brand plus another term. Though the volume of searches on these Brand + Item terms is low, they do drive a comparatively high proportion of clicks per search, relative to Brand or Generic searches: for Apparel sites, only 1% of searches but 3.7% of clicks.

Looking at searchers, the story is even clearer: the majority of buyers never searched for a retailer brand at all in the 12 weeks preceding their purchase. In the Computer Hardware vertical, 92% of all searchers used some kind of generic search but only 27% performed a brand-only search, as shown in Figure 3 (note that the numbers add up to more than 100% because some searchers may have employed more than one search style).

Searcher Distribution: Computer Hardware

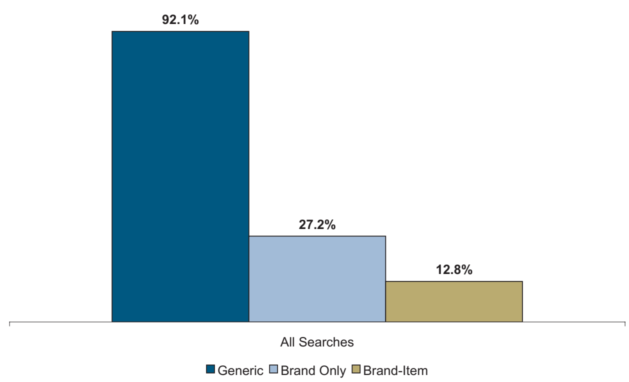

Figure 3

Branded Search Activity Peaks Immediately Prior to Purchase: Apparel

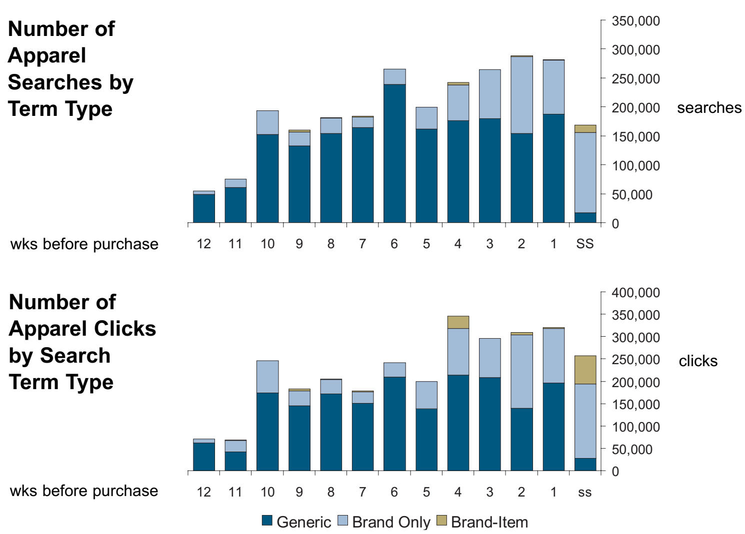

Figure 4

Branded Search Activity Peaks Immediately Prior to Purchase

While the majority of search activity across the full 12 weeks is generic, brand searches and clicks become more prominent close to the purchase, peaking in "same session" search activity (searches and clicks conducted in the same session as the purchase). In the case of apparel buyers, 10% of all clicks occurred in the same session as the purchase, and 89% of these included the merchant's brand (brand only and brand + item). Buyers in other categories followed similar though less extreme patterns: 9% and 54% for computer hardware, 9% and 49% for travel and 11% and 57% for sports/fitness (Figure 4).

Most Buyers Complete Their Relevant Search Activity Well in Advance of Purchase

Most searchers observed in the comScore panel completed their search activity well in advance of purchase, as shown in Figure 5 (next page). This is a striking observation, as many marketers consider that a click from a search engine that does not convert into a sale in the same session is worthless, while the research indicates that buyers do considerable advance planning and research before completing their transactions.

Generic Terms Represent an Opportunity to Reach Buyers Throughout Buying Cycle

Clearly, it is important for marketers to build their presence on generic keywords.

Time of Final Search before Purchase: Travel

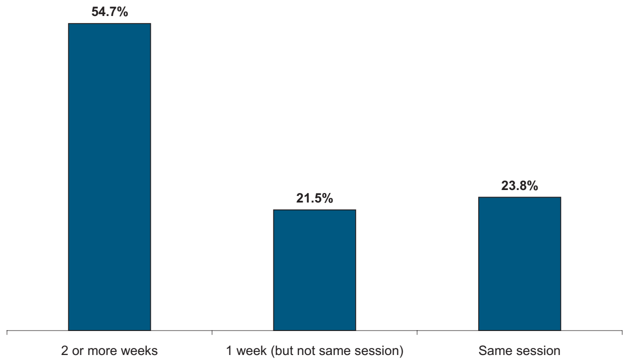

Figure 5

Weekly Search Activity: Computer Hardware Buyers Whose Last Search = Brand-Only Term

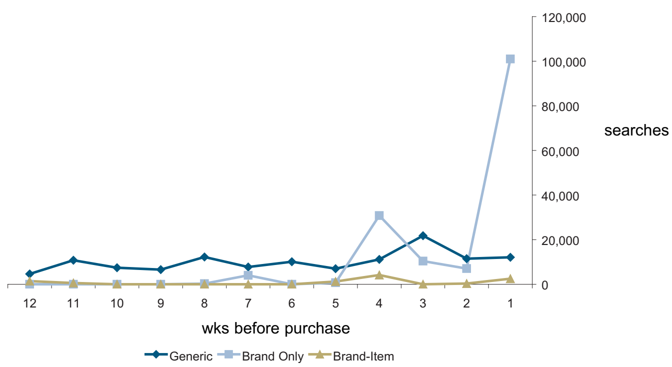

Figure 6

Weekly Search Activity: Apparel Buyers Whose Last Search = Generic Term

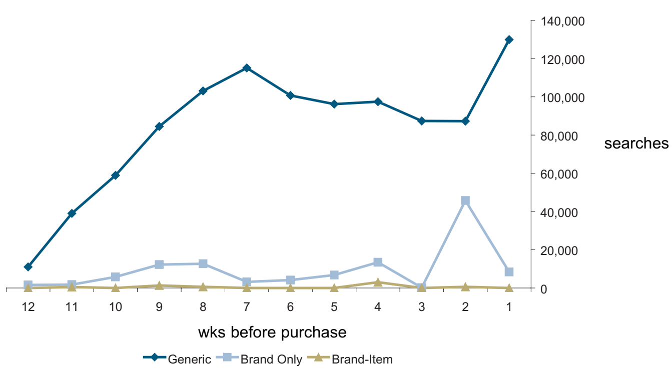

Figure 7

This takes on a new dimension when considering how buyers refine their search activity over time. Looking at searchers who convert off a branded search, (Figure 6), we see that many of them are performing generic searches all the way up until the final brand search. These generic searches present an opportunity for marketers to build awareness by placing their brand names in front of new customers throughout the buying cycle. Indeed, even in the final week where the use of brand search terms spikes among this searcher segment, almost 20% of their searches were still on generic terms, representing a risk of defection even among brand-oriented customers.

Figure 7 shows search activity among buyers whose final search before purchase used a generic term. These searchers, who represent the majority of all searchers, performed very few branded searches at all. Search campaigns targeted only to searches of brand-related keywords would clearly not be effective in reaching this significant pool of customers for whom brand was not a primary concern in their search activity.

Key Take-Aways

Track the results of search activity over several weeks. The research shows that most buyers complete their in-market search engine research two or more weeks before they make a purchase online. Yet many marketers evaluate the success of search marketing programs based only on clicks that lead to a purchase in the same session or perhaps within a few days. Marketers should track search click-throughs for weeks prior to the purchase session to fully account for the longitudinal impact of generic keywords in search.

Factor in the value of non-branded searches early in the buying cycle. Many buyers rely on branded searches to find a site in the last weeks leading up to purchase, particularly in the last session. When buyers convert off of a branded search, they hide the value of the prior generic searches from most ROI analyses. By factoring the value of generics into ROI analysis and bidding decisions, rank and visibility can be maximized.

Improve visibility on generic keywords to attract and engage in-market searchers throughout the shopping cycle. Buyers clearly favor generic terms early in the shopping cycle. And most searchers don't use branded searches at all, even immediately prior to purchase. Marketers should attempt to reach these buyers via broader keyword lists in Paid Search listings, deeper Natural Search page optimization and expanded Product Data Feeds. Broadened reach creates brand awareness among new customers and helps prevent defection to competitive sites.

Definition of Key Terms

Brand + Item search – searches that include a retailer's brand name as well as a product-related term.

Brand search – searches on the brand names (and variations thereof) of the 30 retailers in the study.

Buyers – individuals who made a purchase on any one of 30 e-commerce sites within four categories (Apparel, Computer Hardware, Sports/Fitness and Travel).

Clicks – all clicks made by buyers following relevant searches. The study does not differentiate between clicks on paid search results ("sponsored listings") and natural search results ("web pages").

Generic search – any search that did not include one of the 30 retailers' brand names examined as part of the study. "Generic" here may include product brands, general category terms, or product-specific terms, so long as they exclude the retailer's brand.

Relevant Category Searches – the universe of search activity that was relevant to each of the four categories.

Same Session – searches or clicks that occurred during the same session as purchase.

Searchers – all buyers who made at least one relevant category search prior to their purchase.

Searches – all relevant queries made by buyers on search engines.

Methodology

DoubleClick's Performics search marketing division contracted comScore Networks to conduct this research based on its panel of 1.5 million U.S. Internet users. The first step was to identify a total of 30 e-commerce websites: seven each selling Computer Hardware and Travel, and eight each selling Apparel and Sports/Fitness merchandise. Each of the merchants was selected for a high volume of purchases and a homogenous set of products for sale.

Next, comScore observed all of the traffic to each of those websites in the month of September, 2004 that came via search engines, and captured the thousands of search terms responsible for that traffic. Those terms became the "relevant search terms" for each of the four vertical industries referred to throughout this report.

Each of those "relevant search terms" was then classified into one of three groups. Those that included some variation—including misspellings—of the 30 merchants' brand names were deemed "Brand Only" terms. Those that referred only to the product in some fashion were classified as "Generic." By this definition, "generics" could include brands of product manufacturers, as long as they did not include the merchant's brand. The third group, "Brand + Item" terms, consisted of the merchant's brand as well as a product-related term.

comScore then looked at all of the people in its panel who made a purchase at one of the 30 selected sites during the month of September, 2004, as well as all of the search activity those people conducted in the 12 weeks preceding their September purchase. When filtered by the "relevant search terms" defined earlier, the resulting data represent all online search activity relevant to the eventual purchase, which provide the basis of analysis for this report.

For more details on the findings of this study, contact your account representative to arrange a presentation, or email Chris Henger at Performics at chenger@performics.com.

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