



Overview of Search on Amazon and Google and its Relevance in Marketing

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Preface

This is a report addressing the strengths of two market leaders in the arena of online search. Google has had years on dominance as a search engine and generates the major share of its revenue through Google Ads. Amazon has grown in the last decade unlike any other and has revolutionised the retail market in a short span of few years.

This also tries to show the basic differences in the searches and their composition between the two companies and how Amazon has the option to bite into the market share of Google at which it has been successful in the recent years.

This report judges considers the results obtained through the searches from both Google and Amazon and critically analyses their composition on the basis of number of ads, their location, the composition of webpage, position of organic results, and other distinguishing features of ads. Few inferences are also drawn through Amazon's search results and are detailed in the report, and finally a suggestion is made as to how a company should allocate its digital marketing budget.

This report should be read alongside the shared file (*SearchAnalysis.xlsm*), as the complete source of information which is tabulated in it. Also, some charts are referred in this report but not presented as their size would render them unreadable here. The Visual Basic code results are already updated in the table based on the observed data. Some columns have been hidden with the intent of abstraction, feel free to unhide them and view the whole table. The file is also attached in this report as an Appendix.

Introduction

This report analyses the ads and sponsored content on Google and Amazon and how several variation of keywords causes the change in the organic ranking and ad based ranking of products. A user oriented approach is followed while doing the analysis in this report by keeping both generic and focussed keywords in mind. Apart from this result variation due to misnomers and singular/plural search are also incorporated.

The searches were conducted on UK hosted versions of both Google (www.google.co.uk) and Amazon (www.amazon.co.uk). It was ensured that the results were not affected due to the existing and on-going usage of the device on which the tests were being conducted, thus each of these results can be considered to be run on a sandbox to as much an extent as possible. The changes occurring to the *local area rank* of keyword (and related keywords) due to a single search could not be handled as a single test machine was used for this as concurrent environments were not feasible. All such server side changes were out of control and thus their effect is not considered in the results.

Objective

The objective of this report is to find out whether it is relevant to sponsor on Amazon as Google is considered to be the website of choice for search conventionally. The performance of sponsored products v/s the Prime eligible products is also compared and it is established which holds more importance for a company wanting to sell its products online. This would help a company in allocating its marketing budget between Google Ads, Amazon sponsorship, company stores on Amazon and getting its products registered for Amazon Prime.

Background

Google has been the location of choice for a majority of the population for many years when it comes to search. But with the changing environment the predominance of Google is being challenged by other companies, if only in certain sectors. Amazon is the largest retailer in the world today and has a market value more than that of Walmart, Target, Macy's and few others combined together. Amazon has grown over 2000% in the past 10 years which is commendable for them and a golden ticket to success for companies selling their products on Amazon. The below figure shows the market capitalisation of Amazon when compared with the other large retailers.



Fig.1: Market Capitalisation of Amazon and other big players

Description

Google is primarily a crawl and index based search engine for information, and has brought along the idea of product searches forward as it provides them with the majority of their revenue through Google Ads. Amazon on the other hand is a retailer which holds enormous amounts of raw customer data pertaining to their *purchase* pattern instead of Google which has data for their *search* patterns. Another difference between the two is that while Google makes money from its services, Amazon primarily generates revenue from its supply chain initiatives. They apply analytics to better their supply chain and logistics by choosing where to focus their attention. However, Amazon is also entering the Service area with the Amazon Prime membership and it shows in the company's activities.

With the ideas states, Amazon is now becoming the place where users start their search for products when they are more close to the *Conversion stage* in a traditional Purchase (or Marketing funnel). Amazon has now surpassed Google as being the starting point of product searches by more than double, and these are even higher around the time when users are more interested in a direct purchase and are not researching (such as during the holiday season). Below graph supports this idea and shows how these metrics have changed.

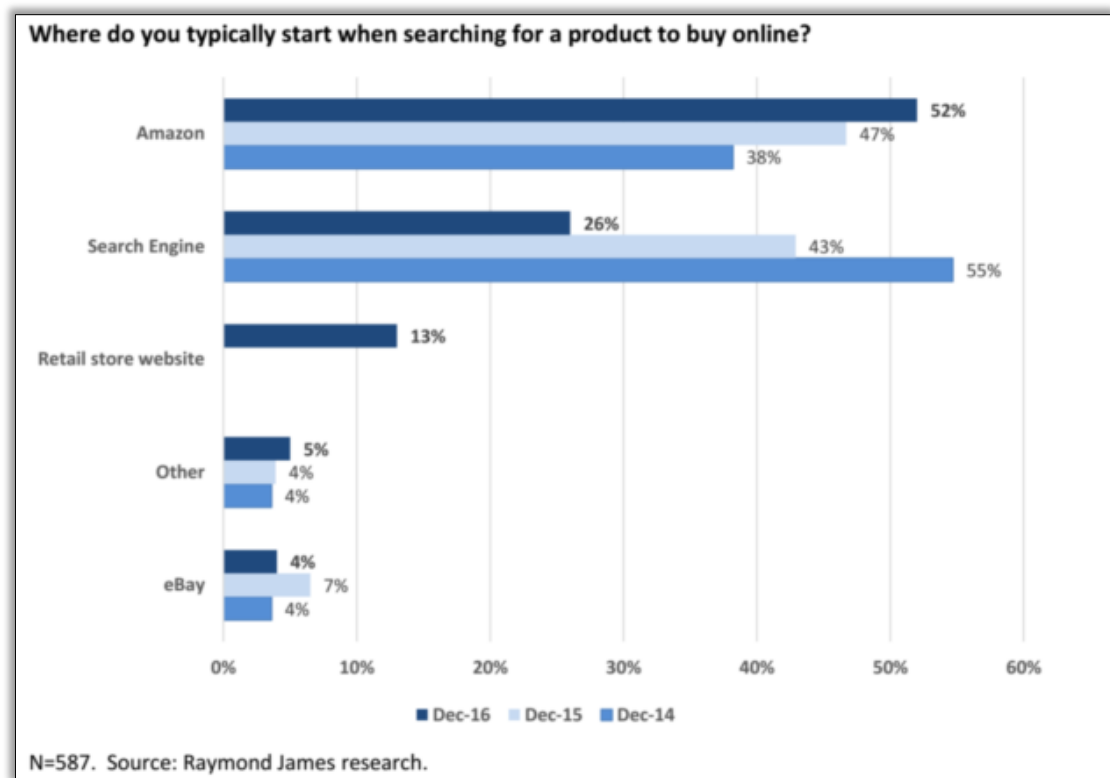


Fig.2: Time-series analysis of the starting point of search for product purchase

An age based analysis also shows that customers today tend to begin their *online purchase journey* on Amazon more than any other platform. Amazon has also realised that to better their presence on the overall retail market scene they have to spread into other sectors and thus have begun their service subscription, Amazon Prime which has gained popularity over the years. It is increasing at an accelerated rate with both new customers joining and an excellent retention rate as well which is evident from the below chart.



Fig.3: Time series analysis showing the growth of Amazon Prime over the years

With these stated factors (and other researched but non-documented reasons) it is evident that the visibility of a product on Amazon is more important for a company now more than ever before. If it is more important than being on Google is something that we intend to find out through this report.

Methodology

For analysis of relevance of ads on Amazon and Google, and the relevance of Amazon Prime five groups were chosen at random which have several products which consumers can be expected to purchase online. Also, keyword variations were used to make searches more descriptive and to zone in on a specific class of product (i.e. less generic results).

The classes of products were as below:

1. Bathrobes
2. Mobile Covers
3. Battery
4. Allergan products
5. Pearson books

Data was collected from the UK hosted sites of Amazon and Google, and interpreted using MS-Excel. The functions were written in Visual Basic and weights were assigned empirically by looking at the position of the ad/organic result on the page, the amount of scrolling required, and the immediateness of the result being caught by the eye. Only the presence of the result is taken into account and content/price/image are not considered here.

The keywords were selected based on them being relatively stable in the recent past based on Google trends data.

For Google search, data was collected for the sponsored results row, ads rows, side rail (block) ads. Another thing done for the Google search results was noting the presence of Amazon products on Google search, in all three possibilities, viz. Organic results, ad result and sponsored content. Based on this, the relevance of Amazon oriented results when doing a Google search was also calculated.

The Amazon data was collected in an even more pragmatic manner, first choosing the number of products to be taken into consideration by analysing several search result pages depending upon the mix of *Company Store* products, sponsored products and also their appearance and placement. The figure of 15 products was found to be predominant in this study as the 14th and 15th product on (90+%) searches were found to be *sponsored*. This reveals that Amazon has two price models of ads being displayed even when they are on the results' first page depending upon whether they are on the top or at the 14/15th position.

The presence of ads on the Amazon search was considered along with the scrolls covered by the sponsored product thus giving this analysis a real-word appeal. Apart from collecting information on the presence of sponsored products information was also gathered for Prime eligible products and company stores (like Allergan Store etc.). Comparisons were made to find the more essential element to appear on Amazon.

Misnomers and singular/plural keywords were also used in the report and results were compared with the basic term as well.

Certain relevant visualisations were developed to supports the comments being made in this report and depending on these some inferences are drawn.

Results and Inferences

Google Search Results

It was noticed that Google's search results were generally composed of ads where certain vendors had publicised their products, and Amazon was competitive in this regard.

To note the presence of Amazon on the Google search binary variables were used and Amazon's rank was marked as a switch (either 0 or 1). A Visual Basic program was then used to convert this rank into a relevance score which can be seen in columns I,J,K (see appendix file).

It is seen that products such as bathrobes, mobile covers are not as widely advertised by Amazon as much as the other products such as Allergan eye drops or Pearson books, since they are readily shown in the organic search by themselves. The rows marked in *Green* in the appendix document are the only ones where the relevance of Amazon's ads surpasses its organic relevance.

Of the products where ad footprint is higher than the organic footprint is the search for '*iphone x back cover black*' which can be considered to have high frequency of being searched and is a frequently sold item and thus Amazon has bid higher on this keyword to cement its presence (even when it appears prominently on the organic listing). The others are searches which understandably rank the particular company websites, Allergan and Pearson, higher than Amazon due to indexing

(should be expected so) shows an increased Amazon ad presence. This makes it evident that Amazon's ad bids are set to rise when they see their organic rank to be low.

Mobile Cover	mobile cover	12	0	0	1	0	0	1
	mobile phone back cover	23	0	0	0	0	0	1.8
	iphone x back cover	20	0	0	0	0	0	0
	iphone x back cover black	25	1	0	0	2.4	0	1.8
Battery	battery	7	0	0	0	0	0	0
	battery 1.5V	12	1	1	0	0.8	0	1
	battery 1.5V pack of 12	23	1	0	0	1.4	0	1.8
	battery 1.5V pack of 12 duracell	32	1	0	0	1.5	0	1.8
	battery 1.5V pack of 12 duracel	31	1	0	0	1.6	0	1.8
Allergen Eye	eye drops	9	1	1	1	1.7	0	0
	allergan eye drops	18	1	0	1	1	0	0
Pearson Books	pearson digital marketing book	30	1	0	0	1.6	0	0
	pearson digital marketing books	31	1	0	0	3.3	0	0
	pearson data analytics book	27	0	0	2	0	1.95	0
	pearson data analytics books	28	1	0	0	4	0	0
	pearson english grammar book	28	0	0	4	0	2.65	0
	pearson english grammar books	29	0	0	7	0	4.7	0
	pearson management science book	31	0	0	1	0	0	0
	pearson management science books	32	0	0	0	0	0	0

Fig.4: Google searches where Amazon ad is more prominent than its Organic footprint

It is also noticeable to see that the Amazon organic relevance increases as the length of search-term increases. This can be attributed to the fact that the product is described in detail, and it is generally how they appear on the Amazon product titles and descriptions which is picked up by the Google's crawlers.

Misnomers are seen to be judged well by the Google search and the results shown are almost totally similar to the ones obtained with the basic keyword search.

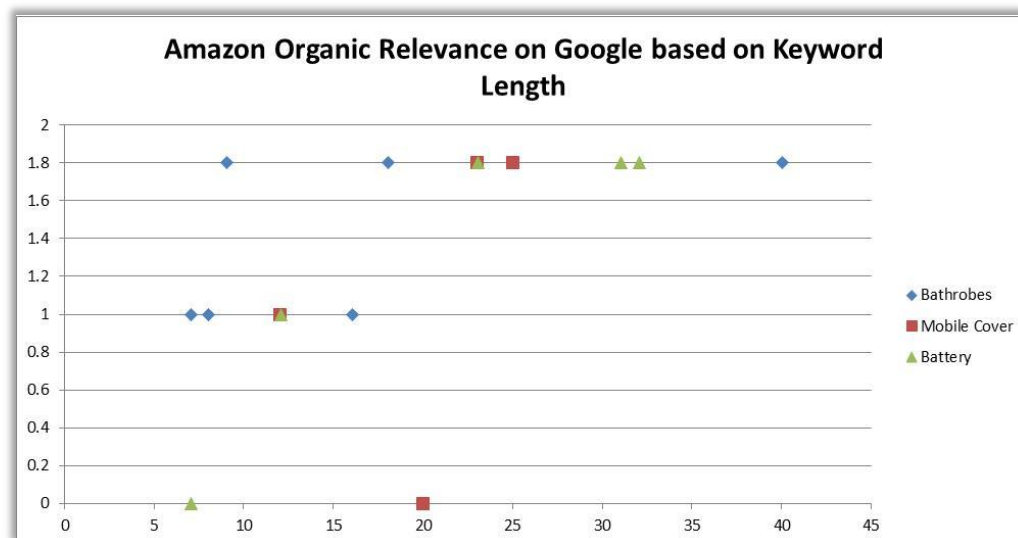


Fig.5: Higher organic relevance for longer keywords in each category

Amazon Search Results

Amazon search results are found to be significantly different from those of Google search owing to the fact that it is deeper in the purchase funnel starting around the Behaviour stage and even

Conversion very often. Amazon can be considered to have greater knowledge of the customer's final purchase trends and can thus modify greatly their webpage structure.

The Amazon results are mostly divided into three parts, if there's a sponsored company's store available online the first result is almost always this. This is followed by a few sponsored products and then come the organic results. Moreover, on the first page upon scrolling down often a couple more sponsored products were seen. This makes it evident that there are two models of first page Amazon ads the one at the bottom being lower priced.

The most important feature which is visible from the Amazon results is that the valuation of a Prime eligible product is much higher than that of any other. This shows that Amazon promotes these products even organically. Giving higher priority to Company store products and Prime products may be attributed to Amazon's intent of promoting verified and better quality products to its customers, and also as they have already verified that these products generate revenue in their own stature as it is. And, registering a company store also brings in revenue to Amazon. The below table shows the percentage of products which were sponsored and Prime eligible respectively out of the first 15 results, the orange marked rows are those in which the prime products were double or more in number than the sponsored ones. The complete table and associated chart is present in the appendix document.

Search Term	Sponsored Products	Amazon Prime Products
bathrobe	46.67%	86.67%
bathrobes	33.33%	93.33%
bathrobe for men	46.67%	100.00%
bathrobe for women	33.33%	100.00%
bathrobe in black colour under 15 pounds	0.00%	86.67%
bthrobe	20.00%	93.33%
mobile cover	13.33%	53.33%
mobile phone back cover	13.33%	80.00%
iphone x back cover	33.33%	93.33%
iphone x back cover black	20.00%	73.33%
battery	80.00%	93.33%
battery 1.5V	46.67%	93.33%
battery 1.5V pack of 12	46.67%	100.00%
battery 1.5V pack of 12 duracell	46.67%	73.33%
battery 1.5V pack of 12 duracel	40.00%	66.67%

Fig.6: Metric verifying that Prime is promoted by Amazon

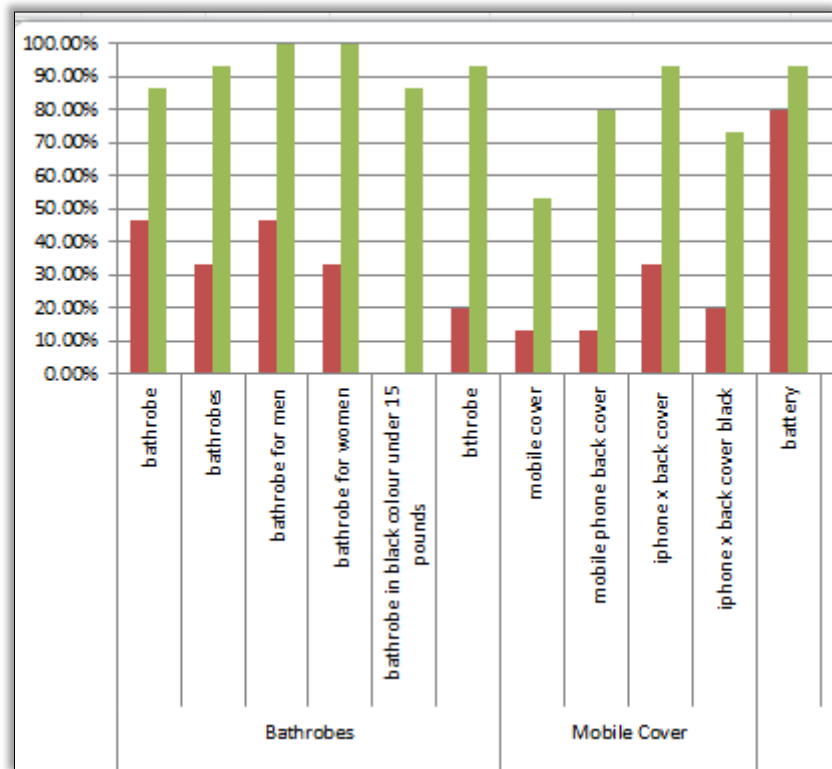


Fig7: Graph showing the percentage share of Sponsored and Prime product on Amazon (full chart in attached sheet)

The Amazon search does not seem to be smart enough to register incorrect spelling of the words, as the results were seen to be different from those of the basic product albeit only slightly. Also plural results were found to be different from that of singular keyword search, thus showing relevance of this point with Amazon but not as much with Google.

With the above results and the analysis done on the results it is quite certain that it is better for a company to allocate a substantial percentage of its digital marketing revenue to Amazon. Amazon in its own accord is purchasing ad-space on Google and is also visible significantly on Google's organic search so it is double the effort and increased expenditure to spend on Google when Amazon is doing it for the company by itself. This does not however mean that the entire budget should be allocated to Amazon, a right balance is required to be established.

Getting the product registered on Prime is another very important insight from this study, as it has been evident that they hold more importance than others. Even the Amazon results on Google search were found to direct the users to Prime verified products almost every time.

Further Steps

This report is only a preliminary study and will have to be expanded thoroughly both horizontally and vertically to get better insights. Few things were not done as part of this study can be elaborated and their effect studied on the product's appearance such as running contemporary searches to ensure the exact results are obtained and the effect of one search does not cause a change to that of another.

The prevalence of Amazon brand products was noticed but is not considered in this report to avoid complications.

The study should be carried with an extensive set of keywords pertaining to the specific company which would give a better insight through the results.

Also, this study is totally subjective in nature; a future prospect could be to bring objectivity to this by expanding the keyword data and capturing larger data. This would help in determining the balance between the marketing budget allocations between the two online giants.

Appendix

File-1: [SearchAnalysis.xlsm](#)