

Google Instant

Impact on paid and organic search

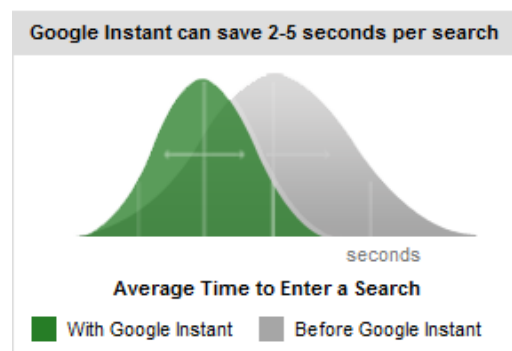
Jon Clark and Oliver Gunn, December 2010

Google Instant Overview

Google Instant is a feature on Google.com that predicts search phrases and shows results in real-time as users type search queries. Paid and organic listings appear and evolve as the query is typed. Google believes that showing results in real-time improves search experiences by providing instant feedback.

Google Instant is an enhancement of Search Suggest. The goal of Search Suggest was to quickly get users to their desired results by providing a list of highly searched keywords related to the letters and words they are typing.

Taking it a step further, Google Instant pulls the top search suggestion into the search box. A user can simply hit Enter to see the static search results for the predicted query. Google estimates the feature saves searchers 2-5 seconds per search.



Situation:

Google Instant launched on September 8, 2010. It is designed to save searchers time.

Razorfish conducted a study across seven advertisers in the pharmaceutical, retail and finance verticals to analyze the impact of Google Instant on paid and organic search.

Key Findings:

Our data suggests the following trends:

- Increase in impressions and clicks, especially on exact-match terms
- Decline in click-through rates, due to the large increase in impression volume
- Initial decline in average cost-per-click; expected to return to pre-Instant levels as advertisers adjust bids and budgets to align with performance changes

Recommendations:

- Use web analytics to inform how Google Instant impacts organic keyword referrals
- Evaluate all Google suggestions that are relevant to an advertiser's core business; use for paid keyword expansions and SEO targeting
- Continue regular keyword expansions to prepare for any changes in the product
- Optimize paid and organic search copy to improve click-through rates on relevant keywords

Effect on the Search Landscape

When Google Instant launched on September 8, 2010, it threw the Internet marketing community into a frenzy. Some claimed that SEO was dead, while others opined it would negate the benefits of long-tail paid traffic. Now that the dust has settled, Razorfish looked at search data to determine the actual impact of this new search feature.

Study Objectives

Our major concern with Google Instant was how it would affect query behavior. Over the past five years, users have become much savvier when typing search queries, which now average 3-4 words or more per search.

Percentage of U.S. clicks by number of keywords			
Subject	August 2009	September 2009	Month-over-month percent change
One word	24.21%	24.32%	0%
Two words	23.71%	23.55%	-1%
Three words	20.74%	20.52%	-1%
Four words	13.78%	13.69%	-1%
Five words	7.90%	7.94%	1%
Six words	4.23%	4.30%	2%
Seven words	2.27%	2.33%	3%
Eight or more words	3.16%	3.35%	6%

Note: Data is based on four-week rolling periods (ending Oct. 3, 2009, and Aug. 29, 2009) from the Hitwise sample of 10 million U.S. Internet users.

Source: Experian Hitwise

From an organic optimization perspective, this has been a positive development, as it has broadened the keyword universe, giving smaller websites a better chance of ranking for less competitive keywords. For paid search advertisers, this trend has enabled incremental opportunities as the cost of higher-priced head terms is amortized by expanding onto less competitive, long-tail keywords.

Google Instant is arguably the first Google product designed to alter search habits. The primary objective of our analysis was to measure the difference. Our secondary objective was to evaluate the impact on SEO and Paid Search management and performance.

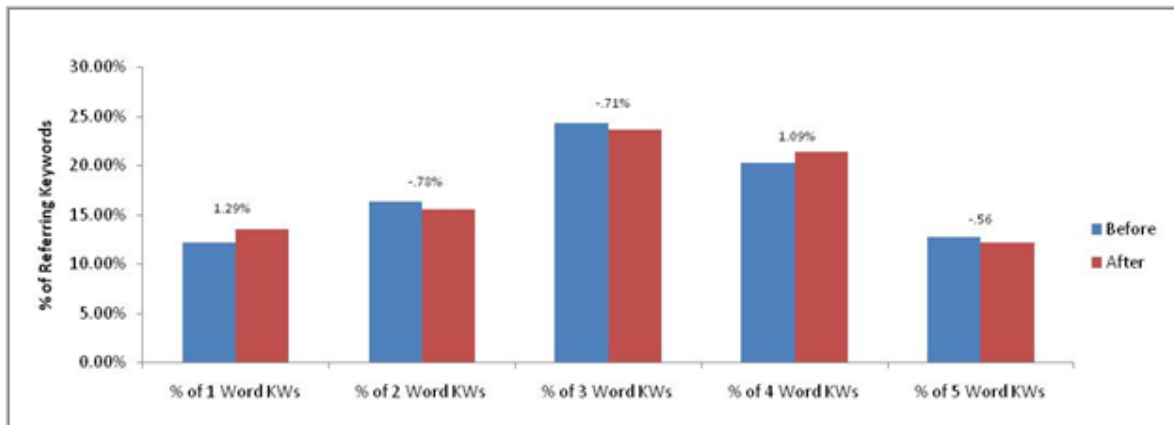
SEO Analysis

We analyzed a broad range of 15 existing client websites to assess the impact of Google Instant on organic traffic data. Our site selections varied by size and industry, and represented over 180,000 organic search queries to reduce the potential effect of seasonality.

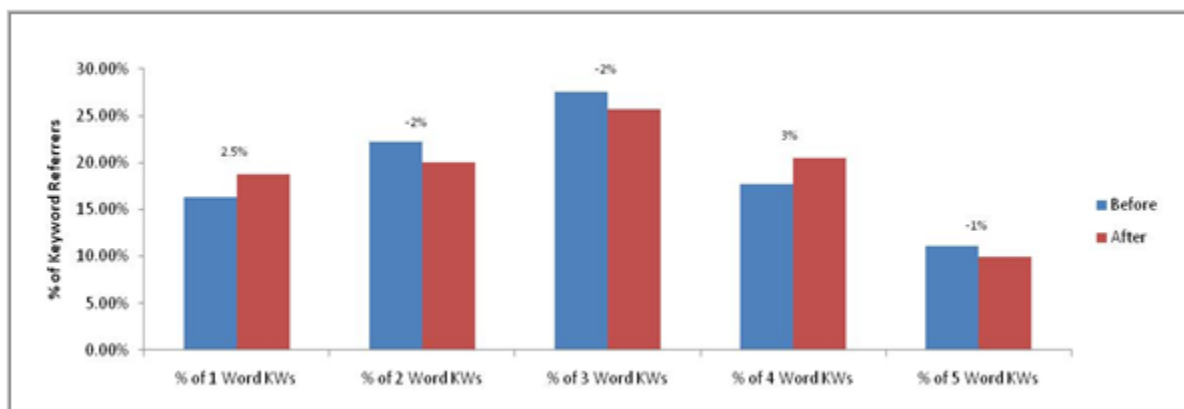
To compare how Google Instant impacted the number of keywords used in searches, we pulled all organic keyword referrals for each website for the two weeks before and after Google Instant. Because we did not see Google Instant suggesting keywords beyond five-word variations, we limited our referrer analysis to phrases ranging between one and five words.

SEO Analysis Results

In aggregate, single-keyword referrals increased the most after Google Instant, but the impact was minimal: 1.29%. Outside of a small increase in queries containing four keywords, there was a marginal decrease in long-tail keyword referrals.

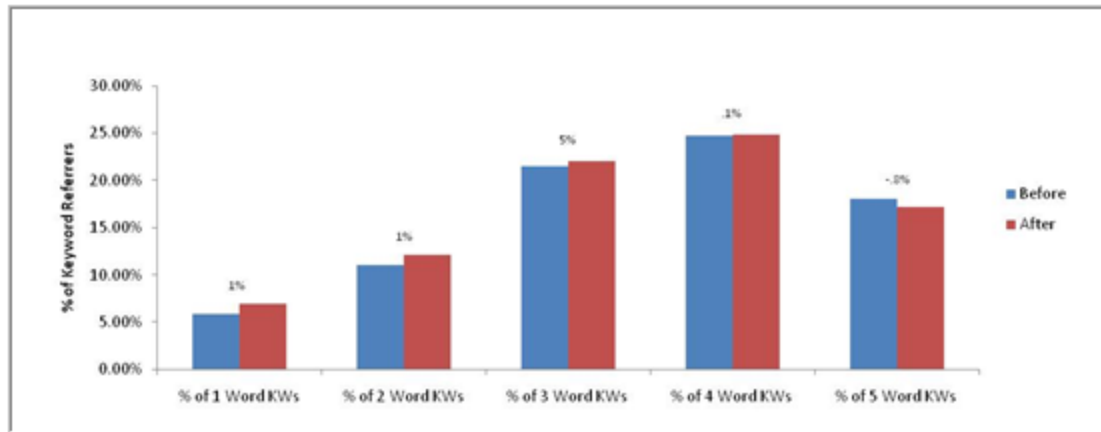


We saw greater fluctuation when we looked only at sites with fewer than 5,000 variations of keyword referrers:



Single-keyword searches were clearly affected in this referrer range, with a 2.5% increase in the number of referrers. The relative decrease in three- and five-word search queries seems to suggest a shift in user behavior towards shorter, more general searches.

Sites with over 5,000 variations in keyword referrers saw an even bigger impact.



For sites with a large number of keyword targets, all keyword referrals in the 1-4 word range increased after Google Instant. Since Instant suggestions cap out at 5-word phrases, the data suggests that more users are selecting Instant suggestions rather than completing their otherwise longer keyword phrase. If this trend continues, SEO strategies may need to adjust to focus more on head terms. (A side note: in most cases, we didn't see a decrease in organic traffic; on several sites we saw a lift.)

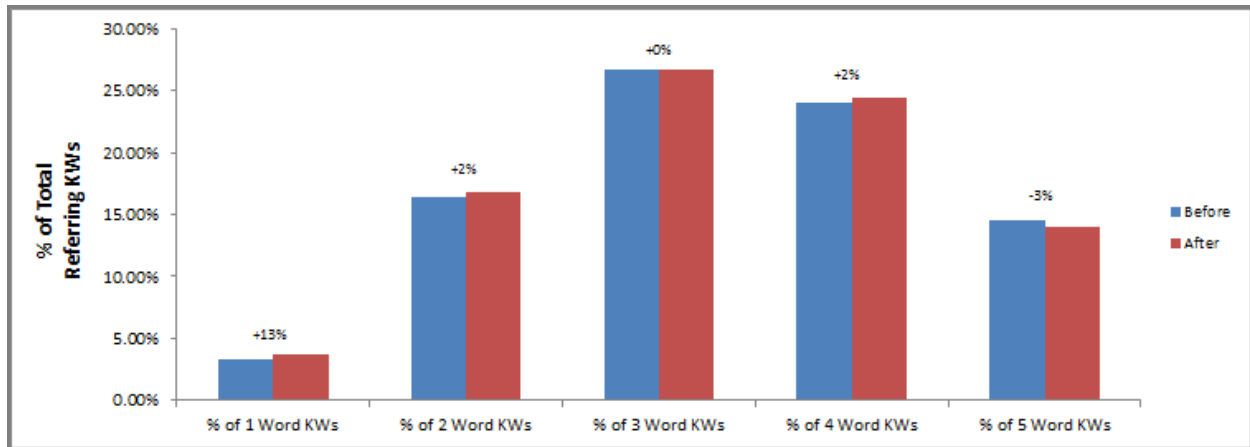
SEM Analysis

We analyzed paid search data for seven Razorfish clients in the financial services, pharmaceutical and retail verticals. We selected a mix of advertisers and verticals to incorporate a variety of search behaviors and minimize noise factors.

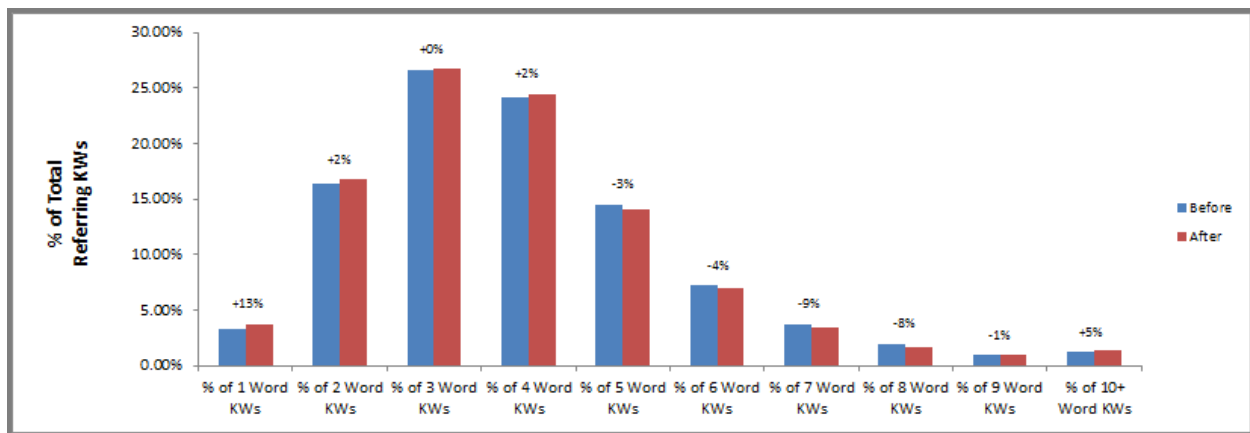
Again, we analyzed query string length for the two weeks before and after Google Instant. This data represents every search query for which an advertiser's ad was displayed and encompasses the precise user language that generated impressions, allowing us to compare the types of searches being performed before and after Google Instant's release. We then evaluated the extent to which campaign performance was affected by shifts in user behavior.

SEM Analysis Results – Query String Lengths

Queries containing four or fewer words increased in volume after Instant, while queries containing more than four words decreased.



Similar to the SEO trend, the biggest impact to paid search behavior was the change in single-word queries, which increased by more than 13%. However, single-word queries represent less than 5% of all paid keyword referrals. Queries containing two or three words increased in frequency as well, but to a much smaller extent (0.5 – 2%). Despite the relatively low frequency of single-word queries both before and after the release of Instant, single-word queries accounted for 20% of the overall lift in impression volume due to Instant.



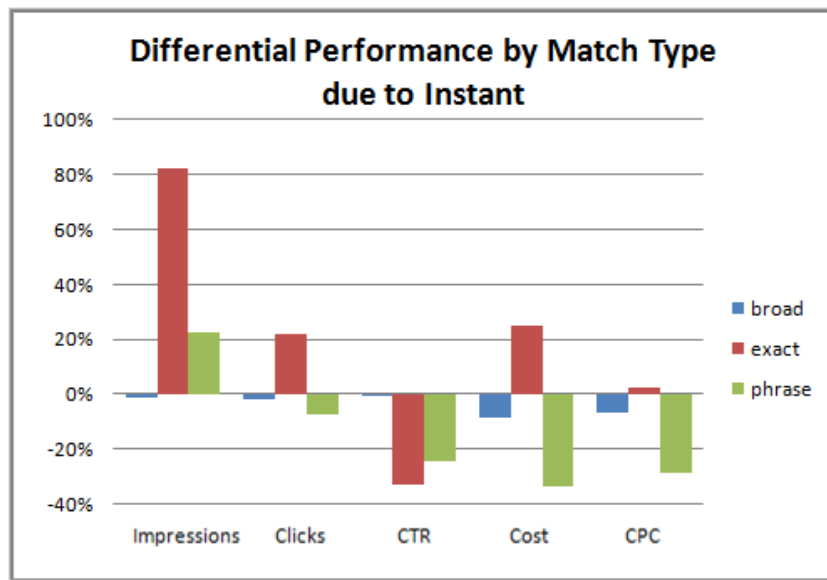
Conversely, five-, six-, seven- and eight- word queries experienced a relative decrease in frequency. Some deltas approached the magnitude of the increase in single-word queries. Search terms containing seven and eight words saw the largest decreases, falling by 9% and 8%, respectively.

We observed very little change in nine-word queries, and actually saw a significant increase in queries containing ten words. These query groups, however, contained so few searches that their overall effect on the data set was negligible.

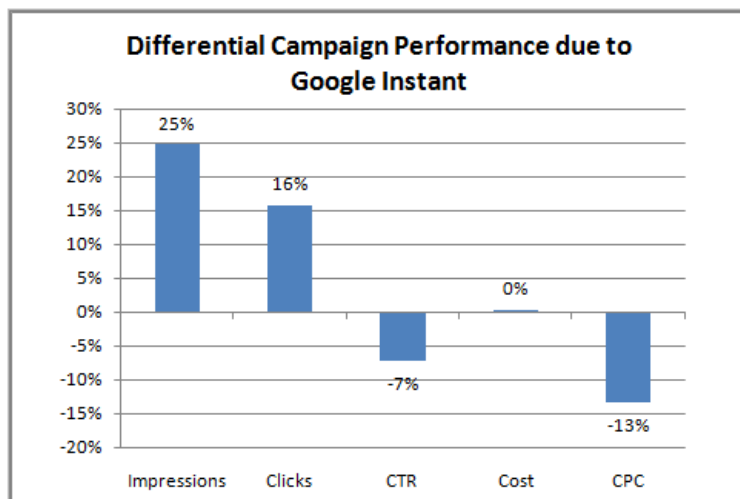
SEM Analysis Results – Paid Search Performance

Both before and after Instant, broad match terms commanded about 50% of all impressions and approximately 15% of clicks. Phrase and exact match gained ground after Instant launched.

Impressions and clicks for phrase and exact match had a higher percentage increase when compared to their broad match counterparts. Additionally, phrase and exact match terms realized a significant drop in CPC, whereas broad match saw a slight increase in costs.



The evidence of Google Instant’s impact on search behavior is conclusive: Searchers are being guided into shorter queries, resulting in more exact matching of paid keywords and fewer hits on the SEO long tail.



While it is still too early to understand the long-term impact of Google Instant on paid search, the data suggests that Google Instant results in an overall increase in impressions and clicks. Impressions are now counted differently, so it's no surprise that advertisers are experiencing this increase. Now advertisers receive impressions if a user takes an action to choose a query (for example, presses the Enter key or clicks the Search button), clicks a link on the results page, or stops typing for three or more seconds.

Although CPCs have declined thus far, it is likely that CPCs will return to their pre-Instant levels, as advertisers increase total budgets and increase bids to capitalize on premium positions.

Marketers should focus attention on specific match types, as cost savings vary widely across broad, phrase and exact match types. Advertisers may receive long-term benefits with a more diverse match type strategy.

What Does Google Instant Mean for Search Marketers?

Reprioritize Your Keyword Focus

We recommend that marketers review keyword-level impression and click data pre- and post-Google Instant to confirm that broad shifts in search behavior are relevant to your account. This data should be utilized to reprioritize organic keyword lists and create new keyword ranking goals that align with performance shifts. The data should also be used to re-evaluate paid keyword bidding strategies.

With Google Instant, advertisers' messages may matter more than ever. For paid search, consider taking advantage of the many new Google Adwords ad extensions to further differentiate your ad and message in the marketplace. For SEO, page titles and meta descriptions are now even more important. These tags represent the initial point of interaction between a website and potential consumers, and are the best chance to catch a searcher's attention as he refines his search. A page title's catchiness or an ad copy's relevance will be one of the only things to stop a searcher from continuing to type their query.

Google Instant Hasn't Killed Search Engine Marketing

While some predicted Google Instant would wreak havoc on both SEO and SEM performance, it only challenges us to adapt our focus. The data reveals small but significant shifts in query behavior. Google has successfully altered search behavior; search marketers, as always, should strive to optimize as many search experiences as possible.

Conclusion

While it is too soon to draw a definitive conclusion about the long-term impact of Google Instant, our analysis of hundreds of thousands of keywords across a broad range of verticals suggests the following trends:

- Increase in impressions and clicks, especially on exact match terms

- Decline in click-through-rates, due to the large increase in impression volume
- Initial decline in average cost-per-click; expected to return to pre-Instant levels as advertisers adjust bids and budgets to align with performance changes

Marketers should focus on the following tactics to prepare for changes:

- Use web analytics to inform how Google Instant impacts organic keyword referrals
- Evaluate all Google suggestions that are relevant to an advertiser's business; use Instant suggestions for paid keyword expansions and SEO targeting
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About the Authors

Jon Clark, Senior Search Manager



Jon joined Razorfish in 2010 and has a deep Search Engine Marketing background with over 6 years of experience in both paid search and SEO. Jon's diverse work history includes working on the client-side, agency-side and publisher-side which helps give him a unique view of the industry and potential opportunities. Most recently, Jon worked at Microsoft as a Search Account Manager helping to provide pro-active strategy and analysis for a handful of premium advertisers – including 4 Fortune 500 clients.

Prior to Microsoft, Jon held a leadership role at Interactivate, Inc leading the organic and paid search teams for a wide range of verticals including finance, agriculture, retail and real estate.

Oliver Gunn, Search Account Manager



Oliver Gunn grew up in Connecticut and graduated with a Bachelor of Arts degree in Psychology from Georgetown University in 2008. Oliver has been at Razorfish for two and a half years, where he's managed paid search accounts across the retail and financial services verticals. His interests include traveling, college sports, and music. He also speaks fluent Spanish. Oliver is a huge Yankees and NY Giants fan.

About Razorfish™

Razorfish is one of the largest interactive marketing and technology companies in the world. With a demonstrated commitment to innovation, Razorfish counsels its clients on how to leverage digital channels such as the Web, mobile devices, in-store technologies and other emerging media to engage people, build brand loyalty and provide excellent customer service. The company is increasingly advising marketers on Social Influence Marketing™, its approach for employing social media and social influencers to achieve the marketing and business needs of an organization. Its award-winning client teams provide solutions through their strategic counsel, digital advertising and content creation, media buying, analytics, technology and user experience. Razorfish has offices in markets across the United States, and in Australia, China, France, Germany, Japan and the United Kingdom. Clients include Carnival Cruise Lines, MillerCoors, Levi's, McDonald's and Starwood Hotels. Visit <http://www.razorfish.com> for more information.

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