



**SEARCH**

UNIVERSITY



## Science behind Search

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Key observations made in users' queries

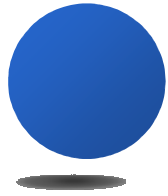
**13h00 – 13h45**

Olivier Zimmer– [ozimmer@google.com](mailto:ozimmer@google.com)

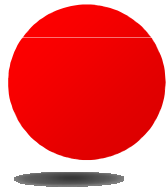
May 2010

This year agenda will cover:

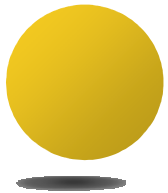
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Where are we now with Belgium ?



Scientia vincere tenebras



Theorems in Search

## Previously in Search University volume 1 :



### QUESTIONS:

- Are the Cost per Clicks expensive in Belgium ?
- What makes the Cost per Click fluctuating ?
- How to get low CPCs ?

# Where are we now with Belgium ?

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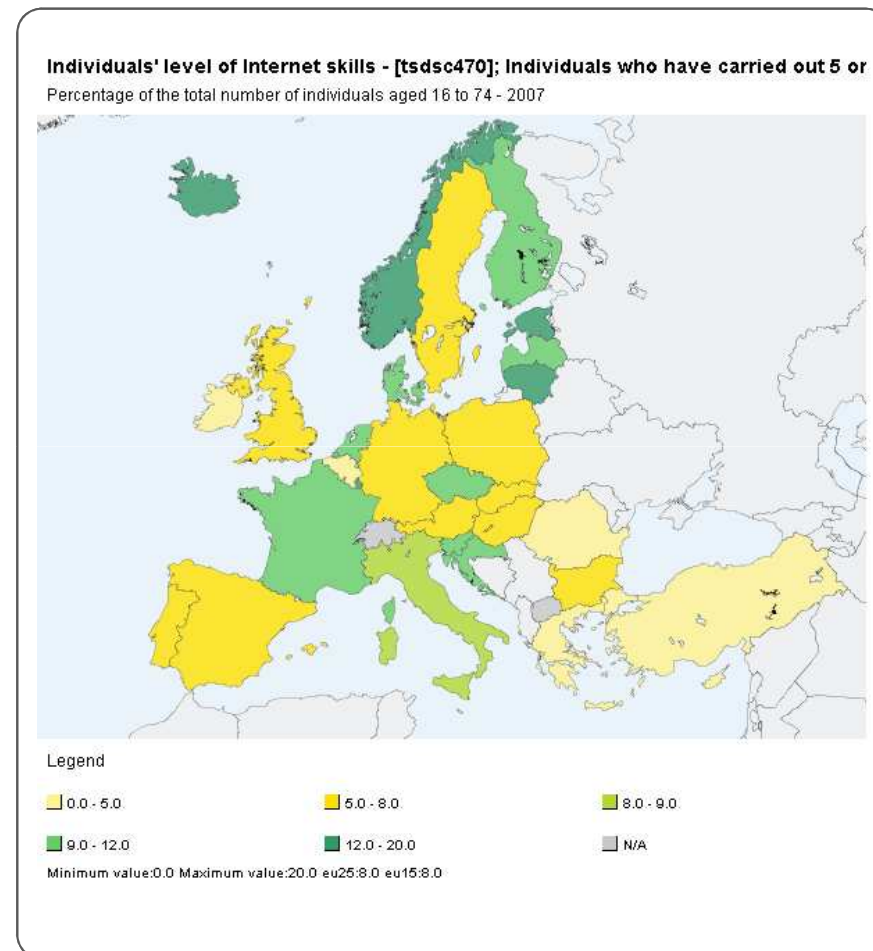
- An outlook on Belgian's evolution

Belgium has an internet penetration rate at 67% above EU27 average but usage of internet is basic

### Internet Penetration Quantity

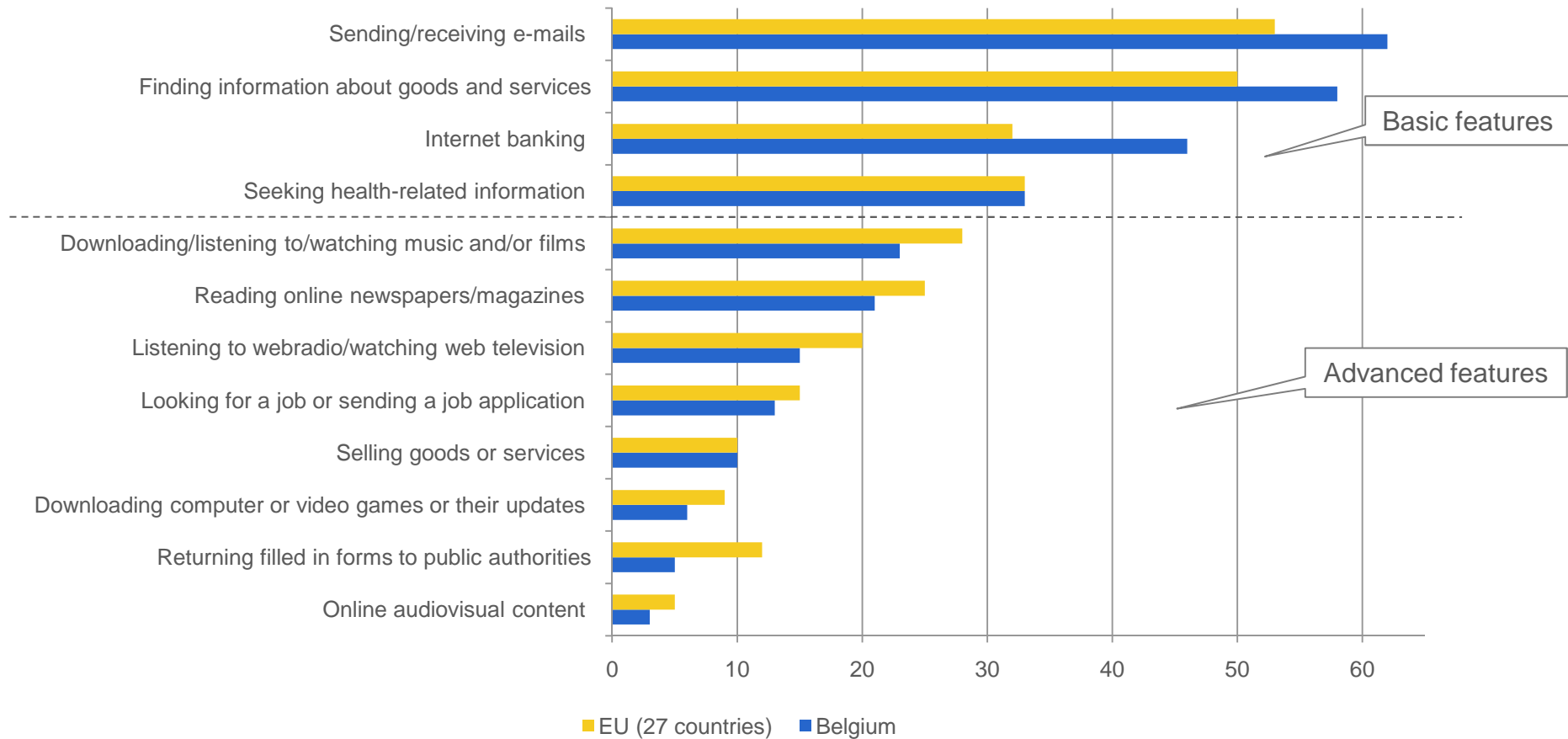
VS.

### Internet Penetration Quality



# Belgian internet users are still in the Web1.0 era

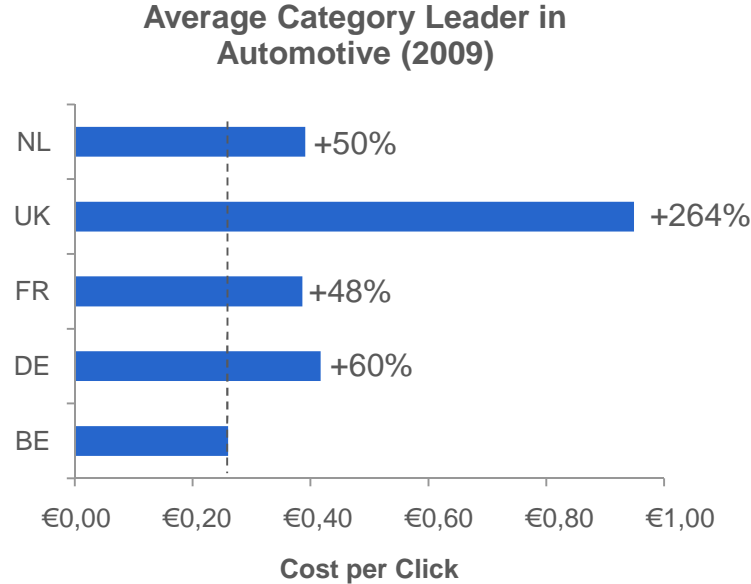
Individuals using internet for - 2008



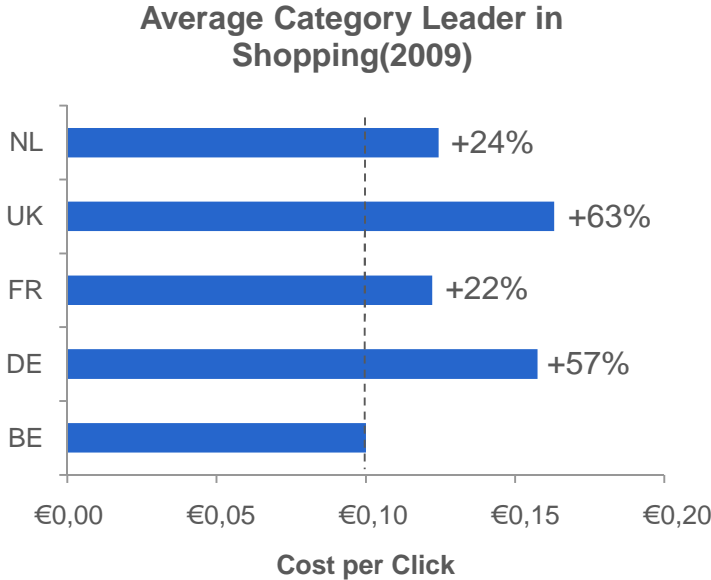
Source : Eurostat, 2009

# One of the consequence is that Belgium still offers cheap Cost-per-Click thanks to the auction system

The cost per click in Belgium can be as low as 1/3 of neighboring markets



This is being explained by lower competitive pressure of Belgian advertiser

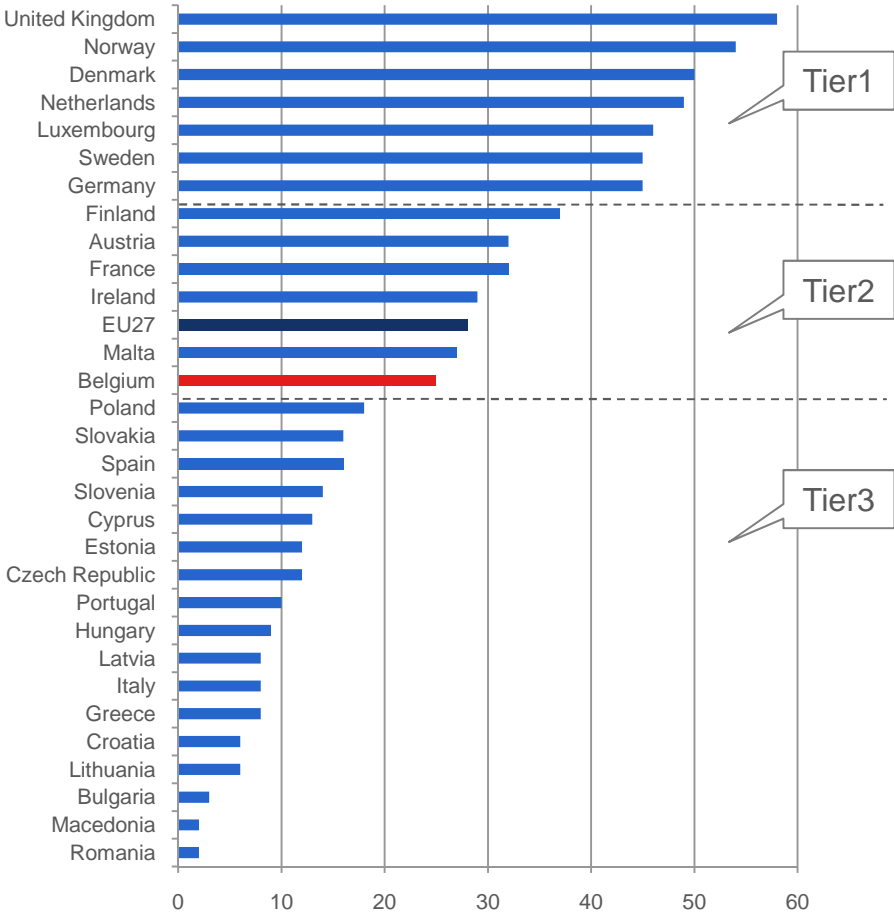


Source: Google Internal - averages based on a sample of available industry-related Google data. Future results may differ from provided as we tweak and improve data quality. Please use as a directional guide

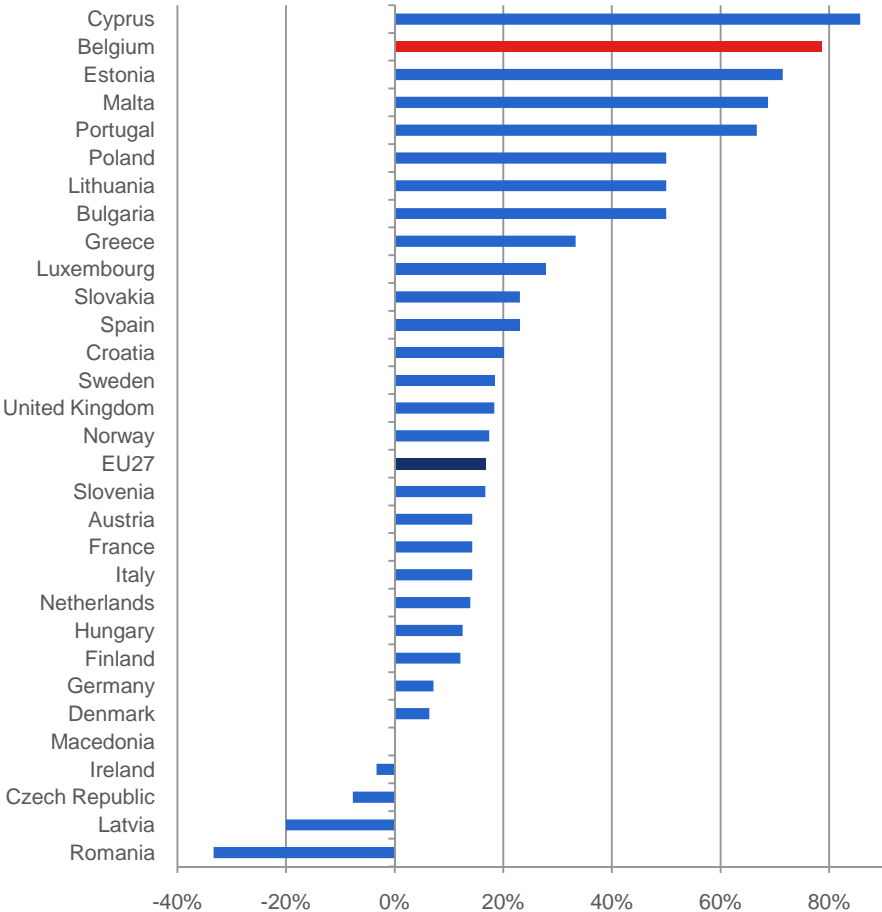
# Belgium is catching up in its E-commerce penetration with a growth of 79% YoY



Individuals who ordered goods or services, over the Internet, for private use, in the last 3 months in 2009



Individuals who ordered goods or services, over the Internet, for private use, in the last 3 months Growth 2008 vs. 2009



Source : Eurostat, 2009

Why the SCIENCE behind Search ?

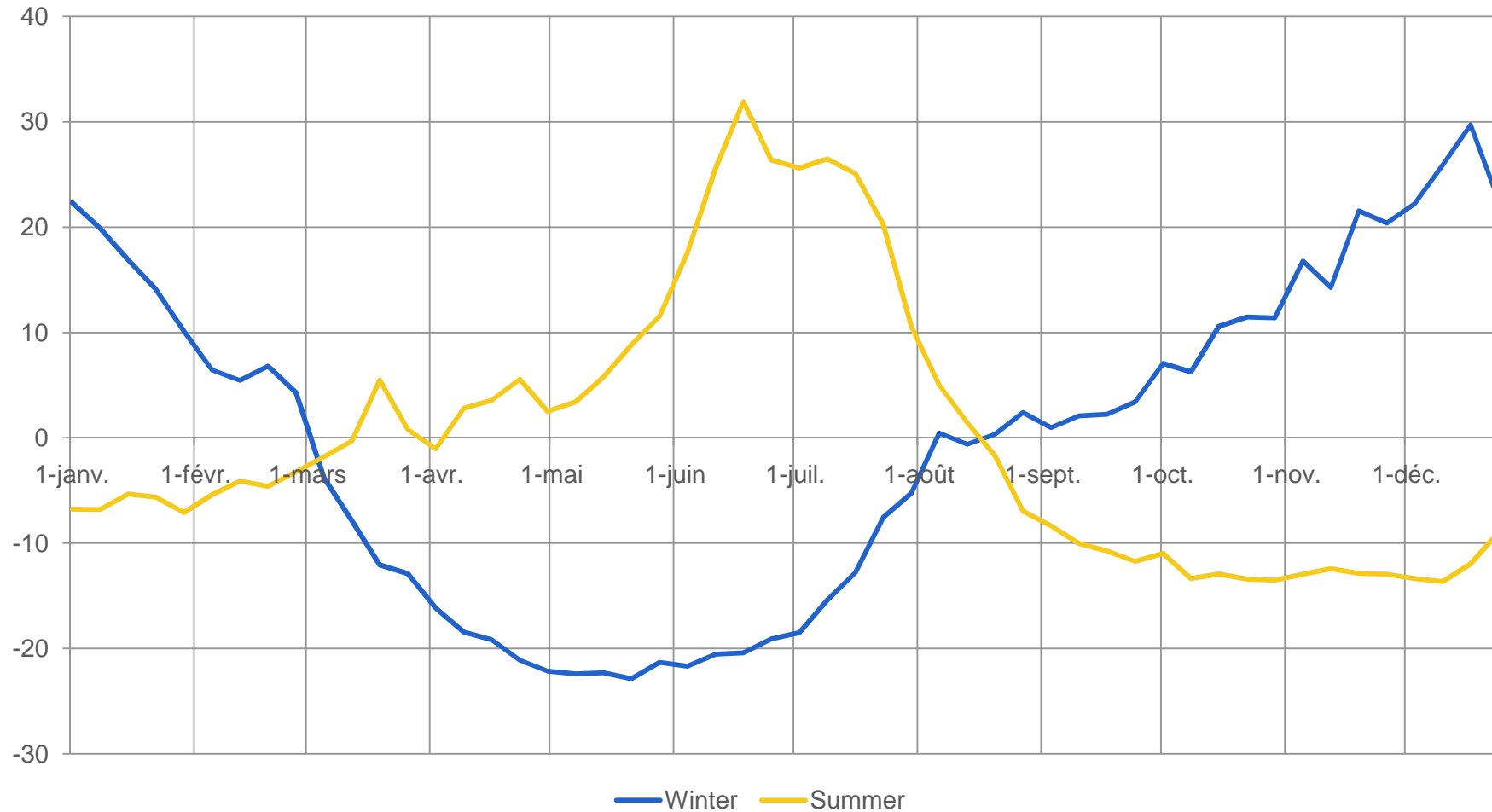


# Scientia vincere tenebras

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- When the power of data challenges intuitions & instincts

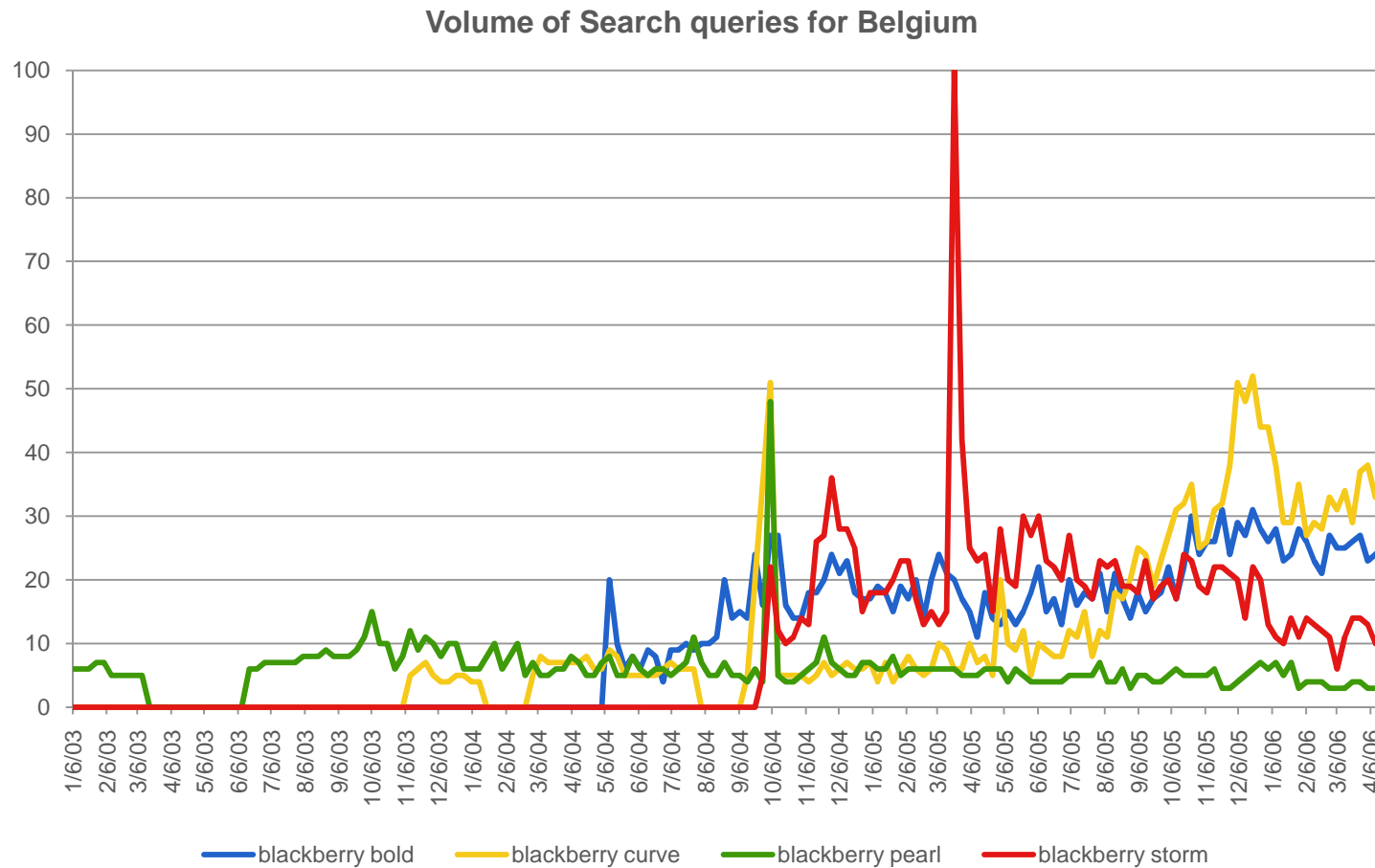
# 1. Travel industry surprised by the gap between Summer/Winter shift and their beliefs



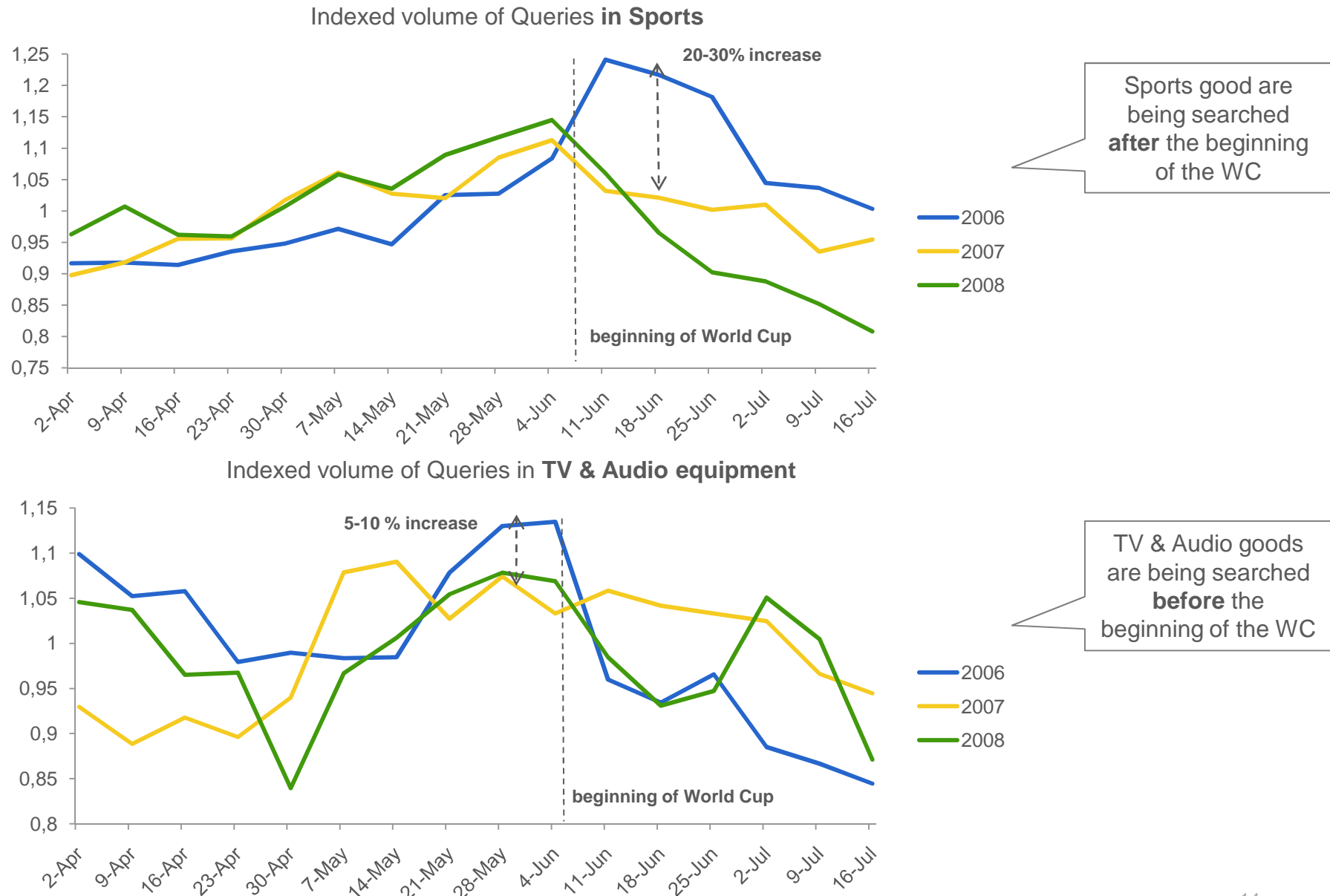
## 2. Tech Retailer was NOT offering the Blackberry “Curve” although it is the most popular in Belgium



Tech Retailer is proposing Blackberries products in Belgium

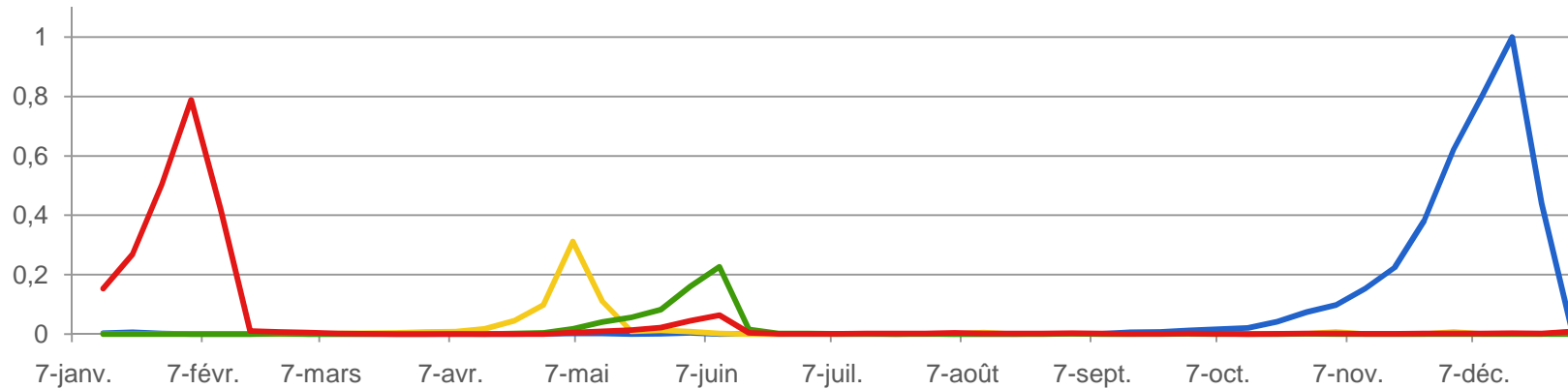


### 3. The Soccer World Cup effect has different effect according to each type of products

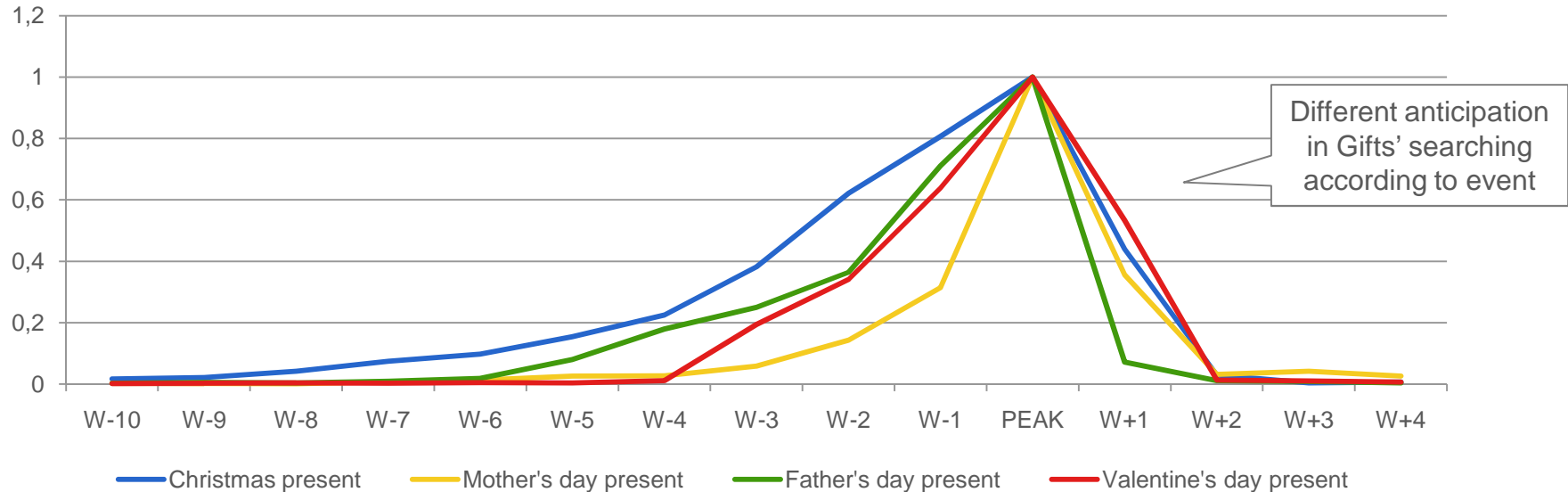


# 4. Data is just the objective behavior & emotions of the users

Indexed volume of queries for 3 years (2007-2009) in Belgium



Indexed volume of queries on the peak moment for 3 years in Belgium



# Theorems in Search

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- Phenomena observed on the Belgian Search market

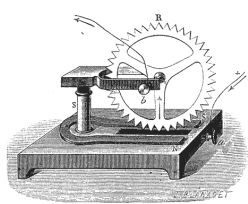
# The 3 theorems in Search



New sectors are fast rising



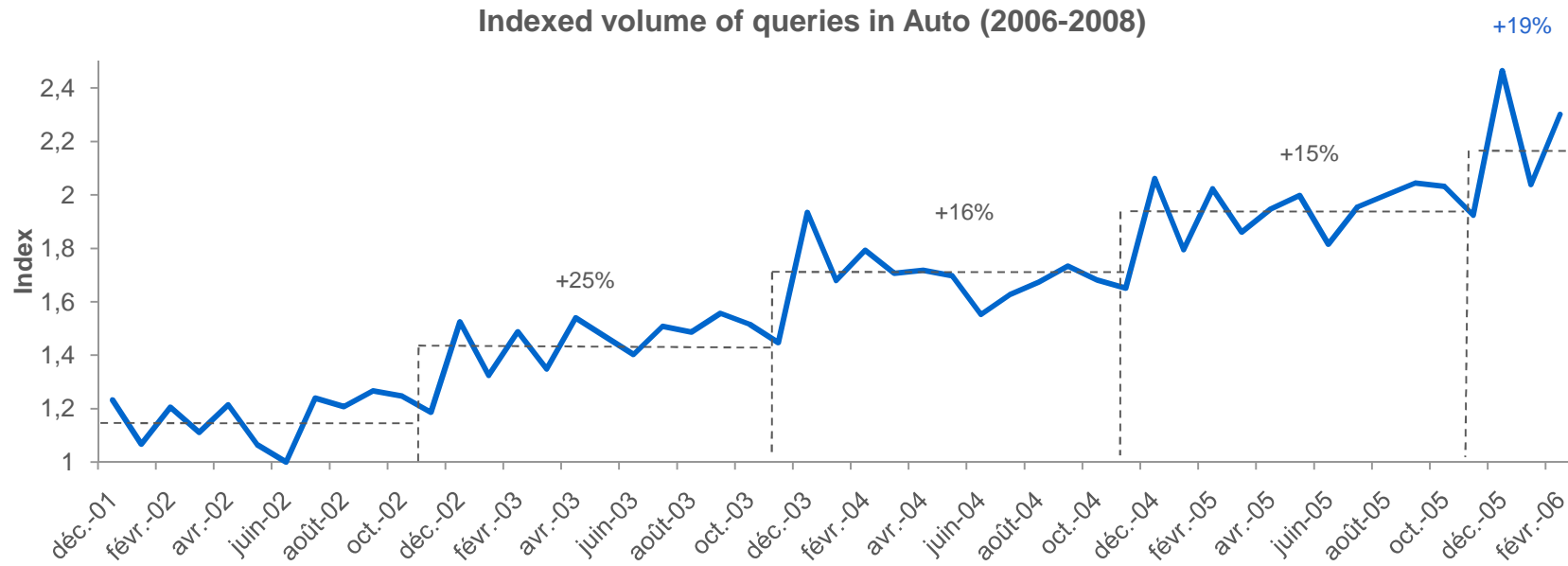
Seasonality is becoming more important



The High volume/cheap CPC phenomenon



The growth for automotive queries in 2010 is forecasted at 19%





## New sectors are emerging and fast growing

Sector	YoY 2008-2009
Publishers/news	21%
<b>FMCG</b>	<b>20%</b>
<b>Finance &amp; Insurance</b>	<b>17%</b>
<b>Retail</b>	<b>17%</b>
Automotive	15%
Business	13%
Entertainment	13%
Travel	11%
Tech	8%
Adult	2%

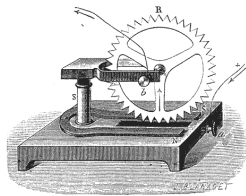
# The 3 theorems in Search



New sectors are fast rising



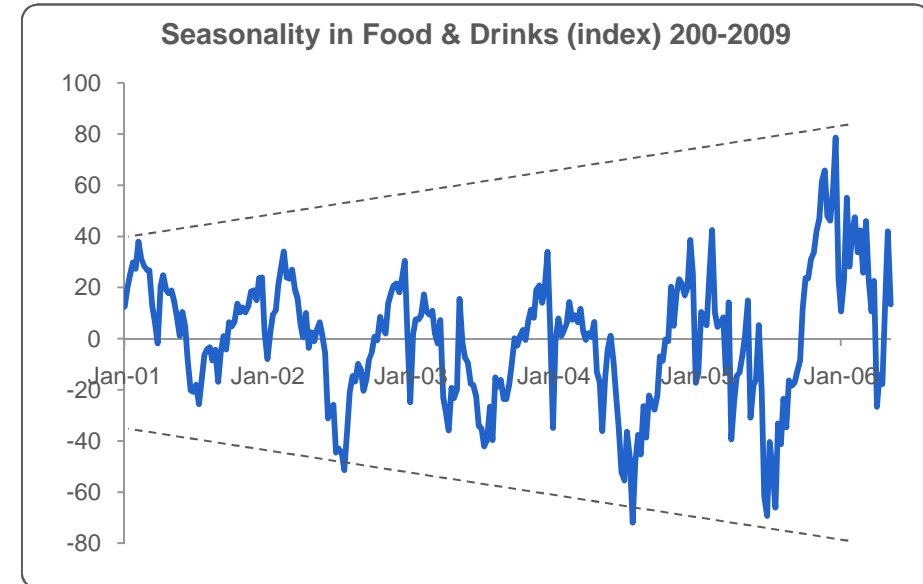
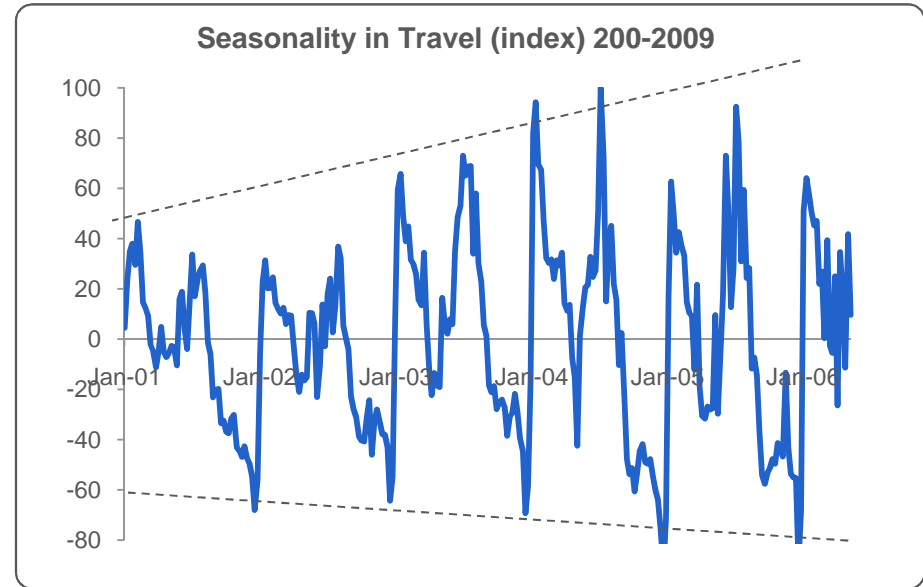
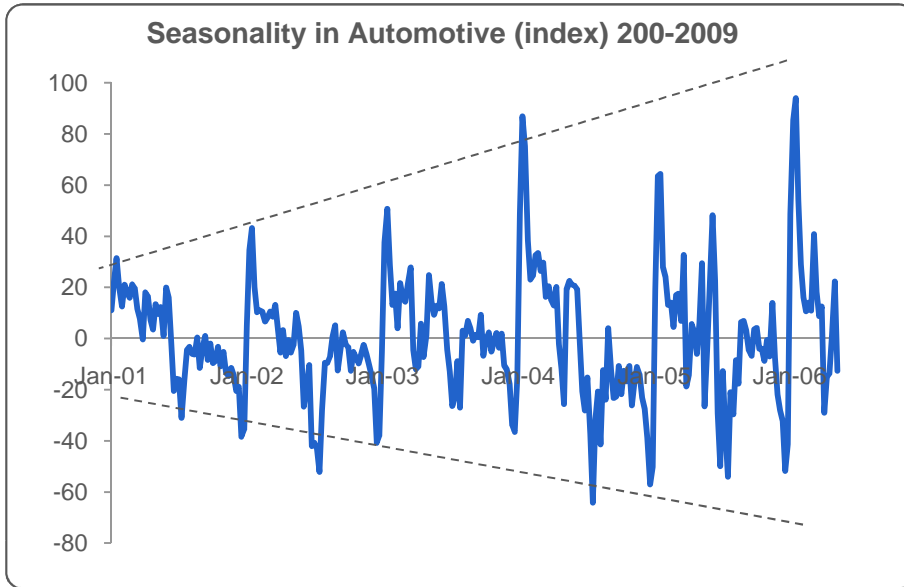
Seasonality is becoming more important



The High volume/cheap CPC phenomenon



# Seasonality is getting stronger & stronger



Source : Google internal, 2010

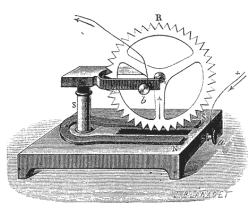
# The 3 theorems in Search



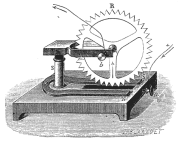
New sectors are fast rising



Seasonality is becoming more important

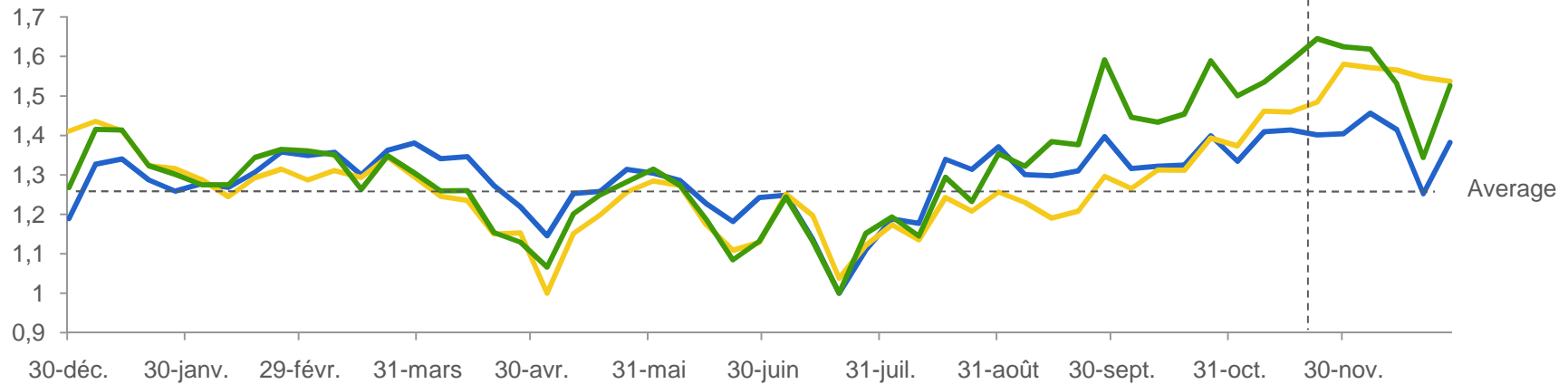


The High volume/cheap CPC phenomenon

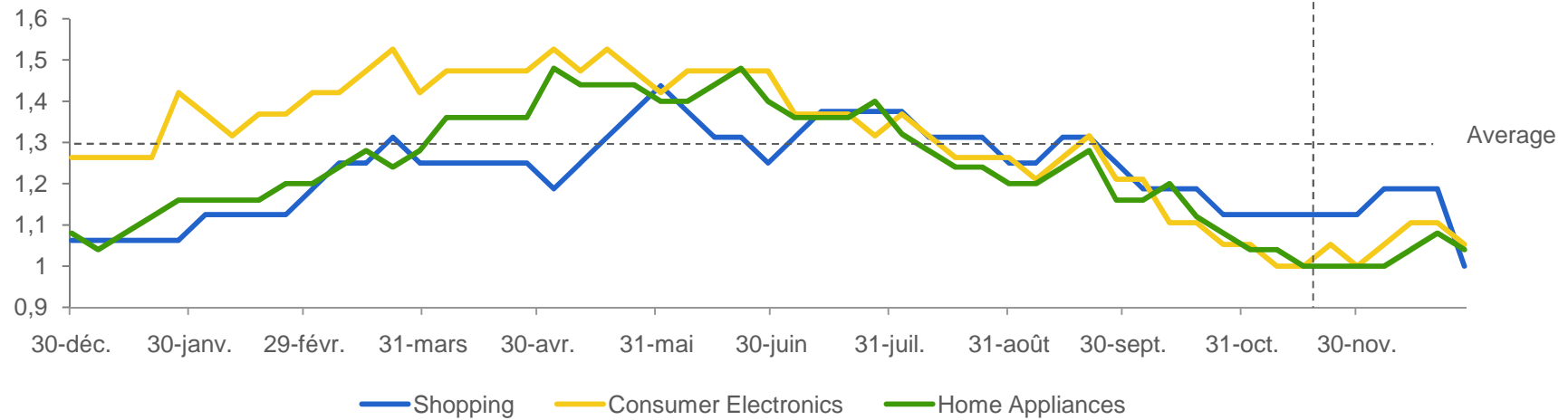


# The Christmas period represents an opportunity of massive Clicks for a reasonable investment

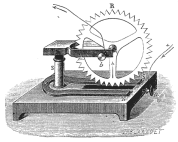
### Indexed volume of queries (2008)



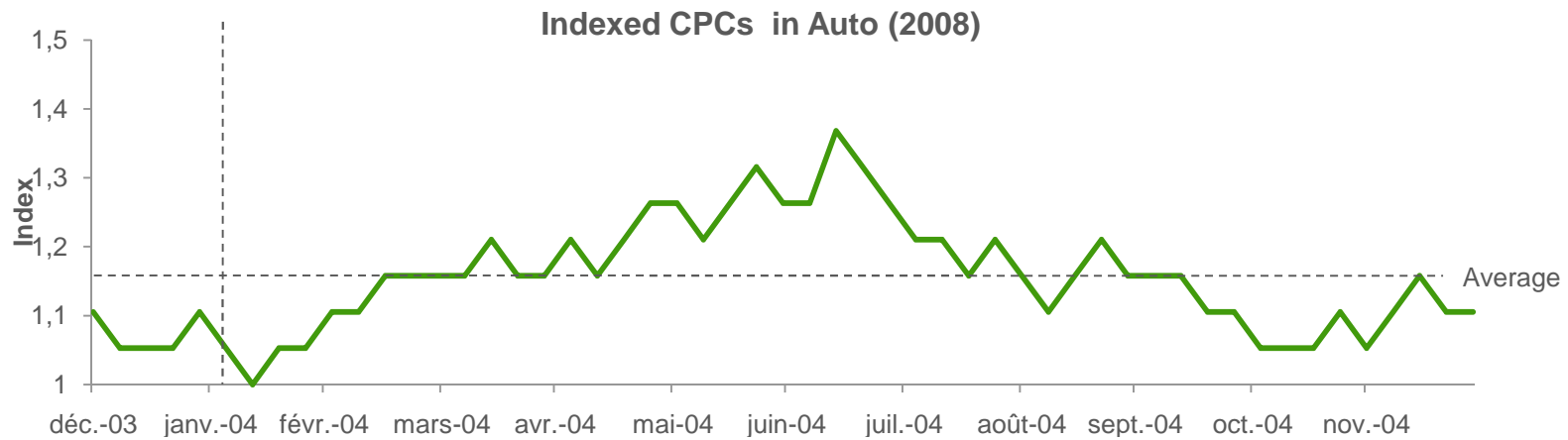
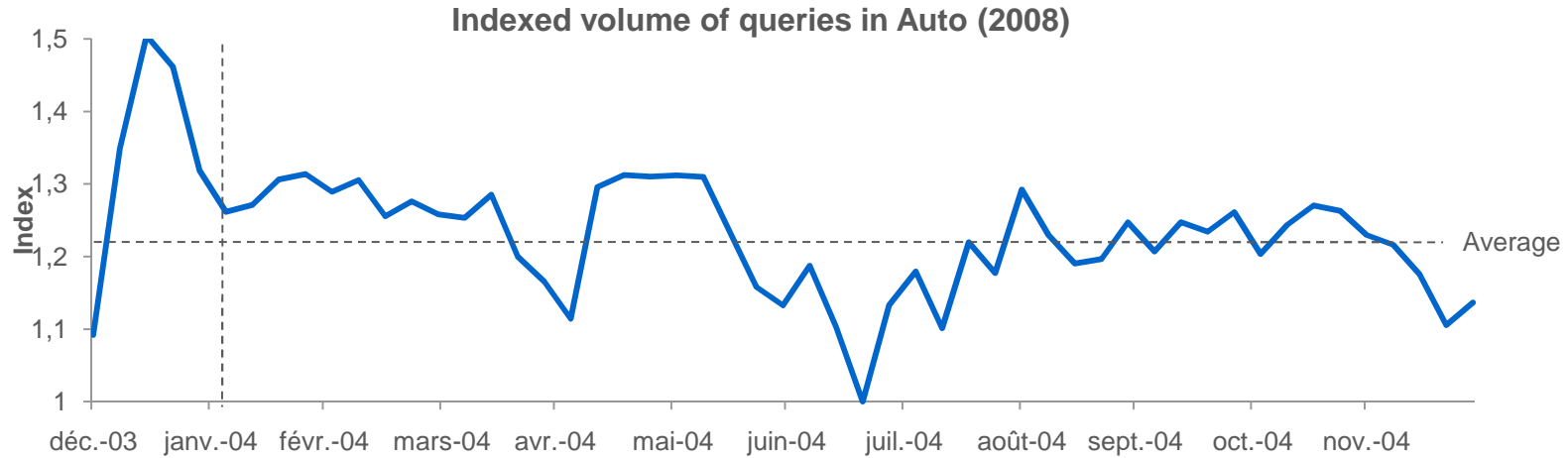
### Indexed Cost per Click (2008)



— Shopping — Consumer Electronics — Home Appliances



# The same phenomenon applies for the Automotive fair period



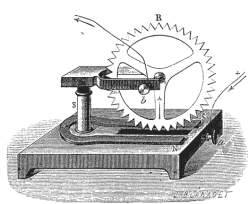
# The 3 theorems in Search – Opportunities for action



Adapt your yearly budget according to your sector growth



Managing seasonality has become more important

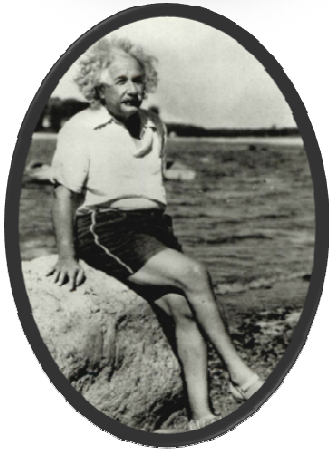


Invest during opportunities of big queries peak

## Conclusions



“In science the important thing is to modify and change one's ideas as science advances.” Herbert Spencer



“The whole of science is nothing more than a refinement of everyday thinking.” Albert Einstein