



Hitwise United States Search Engines & Directories Research Note

December 2005

By LeeAnn Prescott
Senior Research Analyst

Table of Contents

1. INTRODUCTION.....	3
2. EXECUTIVE SUMMARY	4
3. SEARCH ENGINES & DIRECTORIES CATEGORY OVERVIEW	5
3.1. SITE RANKINGS	5
3.2. SEARCH ENGINE TRENDS	6
3.3. SHARE OF SEARCHES	6
4. SHOPPING AND SEARCH	7
4.1. HOLIDAY SHOPPING SEARCH ACTIVITY.....	7
4.2. SHOPPING & CLASSIFIEDS UPSTREAM TRAFFIC FROM SEARCH.....	8
5. SEARCH TERM SHARE OF TRAFFIC TO A CATEGORY	9
6. KEYWORD BREADTH AND PRODUCT POPULARITY.....	11
7. TERMS USED IN THIS REPORT.....	13
8. ABOUT HITWISE.....	14
Hitwise Disclaimer.....	15

1. Introduction

Search engines have become the primary method employed by Internet users in navigating the Internet, and visits to Search Engines & Directories sites accounted for more than 7% of all U.S. Internet visits in November 2005. As both online and offline companies depend on search engines to drive site traffic, it is important to understand visitor trends among leading search engines.

One of the primary objectives of Internet searchers is online shopping, with visits to Shopping & Classifieds sites accounting for more than 12.5% of the downstream traffic from Search Engines & Directories in November 2005. Search is an important source of site traffic for online retailers, and understanding the strengths of the different search engines as well as comparing the search marketing mix against competitors allows marketers to plan their search campaigns more strategically.

Cutting edge search tools available in Hitwise Search Intelligence Version 3.0 can provide insights that will improve both tactical and strategic planning by enabling the search marketer to understand user intent and gauge product popularity based on seasonality, product launches or news coverage.

This report covers the following topics:

- Search Engines & Directories site rankings, visitor trends, and share of searches
- The role of search engines in sending visits to Shopping & Classifieds sub-categories and comparison shopping sites
- Utility of two Hitwise Search Intelligence Version 3.0 features: search terms to a category and keyword breadth.

Founded in 1997, Hitwise monitors the largest sample of global Internet users ever assembled. Each day, Hitwise monitors how more than 25 million Internet users from around the world interact with over 500,000 websites, across 160+ industries. Providing comparative and competitive information to its 1200+ clients worldwide, Hitwise strives to supply companies with relevant, timely and actionable intelligence about the changing preferences of Internet users.

The data within this report is sourced from the information contained in the Hitwise U.S. service, www.hitwise.com, and looks specifically at the Search Engines & Directories category.

2. Executive Summary

Search Engine Share

- The combined market share of visits for Google, Yahoo! Search, and MSN Search was 73.01% of the 1,710 sites in the Search Engines & Directories category for November 2005.
- Since changing its name from Google Print to Google Book Search, Google Book Search ranks among the Top 10 Search Engines & Directories. However, its average session time was low, at 2 minutes 56 seconds for the month of November 2005.
- In the past 6 months, Google's market share of visits in the Search Engines & Directories category has grown by 10% (November 2005 versus May 2005) at the expense of Yahoo! Search and MSN Search.
- The share of searches performed on Google accounted for 61.8% of total search volume across the 62 search engines tracked by Hitwise for the four weeks ending December 3, 2005, and its share of search volume increased by 6% versus six months ago (November 2005 versus May 2005).
- Yahoo! Search and MSN Search accounted for 25.6% and 5.1% of search volume respectively.

Shopping and Search

- During the week of Thanksgiving 2005, Search Engines & Directories sites sent 14.3% of their downstream traffic to Shopping & Classifieds sites, an increase of 19.2% versus the previous week. This indicates that shopping became a top priority for Internet users during the week that is traditionally considered to be the official start of the holiday shopping season.
- MSN Search and Yahoo! Search, despite lower search volume, sent slightly more traffic to Shopping & Classifieds sites for the week ending November 26, 2005, at 15.99% and 16.11% respectively, compared to Google at 14.46%.
- The Rewards & Directories category was the Shopping & Classifieds sub-category that received the most traffic from search engines in November 2005. The major comparison shopping sites in this category, such as Froogle, Shopping.com, and Shopzilla received over 50% of upstream traffic from Search Engines & Directories.
- The House & Garden category received nearly a third of its upstream traffic from Search Engines & Directories in November 2005, showing the importance of search as a traffic acquisition method for sites in this category.

Search Term Charting

- By comparing the share of searches that a specific keyword sends to different categories, online marketers can determine how their site or product offerings fit with user intent and plan their campaigns accordingly.
- The examination of keyword breadth and historical search term suggestion data allows the online marketer to glean valuable insights on searcher interest and opinion of new products, enabling more strategic planning of future campaigns.

3. Search Engines & Directories Category Overview

In November 2005, Hitwise reported on 1,710 sites in the Search Engines & Directories category. This category accounted for 7.11% of visits of all Internet visits in November 2005. Following is an analysis of top Search Engines & Directories sites by market share of Internet visits, average session time and share of search volume.

3.1. Site Rankings

Table 1 below shows the Top 15 Search Engines & Directories sites ranked by market share of visits to the category.

Table 1: Top 15 Search Engines & Directories

Top 15 Search Engines & Directories Sites by Market Share of Visits to Category November 2005				
Rank	Name	Domain	Market Share	Average Session Time
1	Google	www.google.com	42.04%	12:35
2	Yahoo! Search	search.yahoo.com	16.86%	11:25
3	MSN Search	search.msn.com	14.11%	06:57
4	Google Image Search	images.google.com	4.91%	15:03
5	Ask.com	www.ask.com	2.46%	10:29
6	Yahoo! Image Search	images.search.yahoo.com	1.58%	14:31
7	AOL Search	www.aolsearch.com	1.02%	07:15
8	Dogpile	www.dogpile.com	0.84%	12:35
9	Google Book Search	books.google.com	0.83%	02:56
10	My Search	www.mysearch.com	0.62%	08:00
11	WhitePages.com	www.whitepages.com	0.51%	06:59
12	My Web Search	www.mywebsearch.com	0.47%	08:33
13	Yahoo! Directory	dir.yahoo.com	0.46%	06:29
14	AltaVista	www.altavista.com	0.43%	08:25
15	SuperPages.com - Yellow Pages	yp.superpages.com	0.39%	05:36

Google, Yahoo! Search, and MSN Search maintain category dominance

- With over 1,700 sites in the Search Engines & Directories category for November 2005, the combined market share of visits for Google, Yahoo! Search, and MSN Search was 73.01%.

Google Book Search – increased ranking, low average session time

- On November 17, 2005, Google changed the name of Google Print to Google Book Search. For the week ending November 12, 2005 Google Print ranked number 27 in the Search Engines & Directories category. The press surrounding the name change and the controversy over Google Print helped increase the ranking for Google Book Search to number 6 for the week ending November 26, 2005.
- Despite the wealth of content on Google Book Search, average session time is low, at 2 minutes 56 seconds in November 2005, indicating that visitors are not reading books on the site.
- The top categories visited directly after Google Book Search in November 2005 were Search Engines & Directories, with 22.45% of downstream traffic, and Shopping & Classifieds, with 17.63% of downstream traffic. This may indicate that visitors to Google Book Search are continuing their search mission at another site, or going to a Shopping & Classifieds site to potentially find a book or other

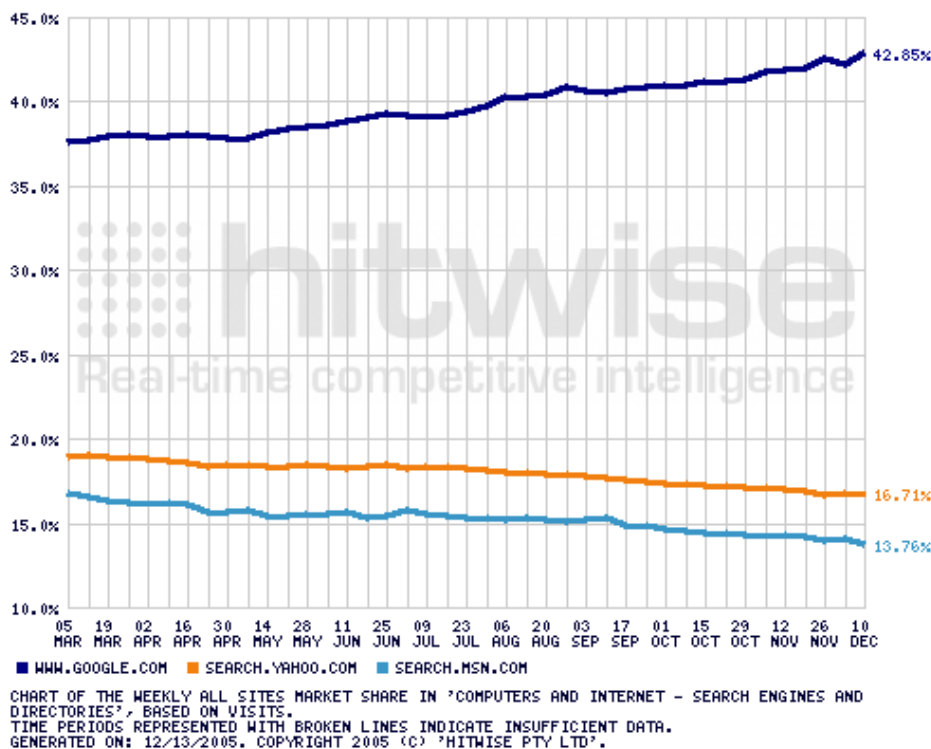
item to purchase. The leading Shopping & Classifieds sites receiving visits from Google Book Search for the week ending November 26, 2005 were eBay, Amazon, Froogle, and Barnes & Noble.

3.2. Search Engine Trends

Google's share of category visits increasing

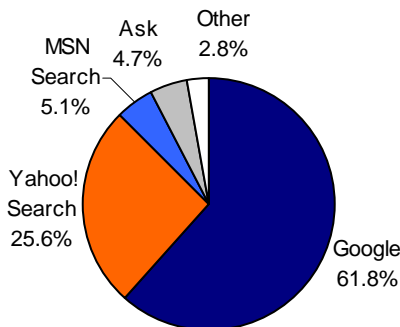
In the past 6 months, Google's market share of visits to the Search Engines & Directories category has grown by 10% (November 2005 versus May 2005) at the expense of Yahoo! Search and MSN Search.

Figure 1: Trend in Market Share of Visits to Top 3 Search Engines March 2005 through November 2005



3.3. Share of Searches

Figure 2: Share of Internet Searches Four weeks ending December 3, 2005



Google also dominates share of searches

Hitwise tracks searches performed across 62 major search engines.

- Searches on Google accounted for 61.8% of total search volume across these engines for the four weeks ending December 3, 2005. Yahoo! Search and MSN Search followed, with 25.6% and 5.1% of search volume respectively.
- Google's share of searches increased by 6% versus six months ago (November 2005 versus May 2005).

4. Shopping and Search

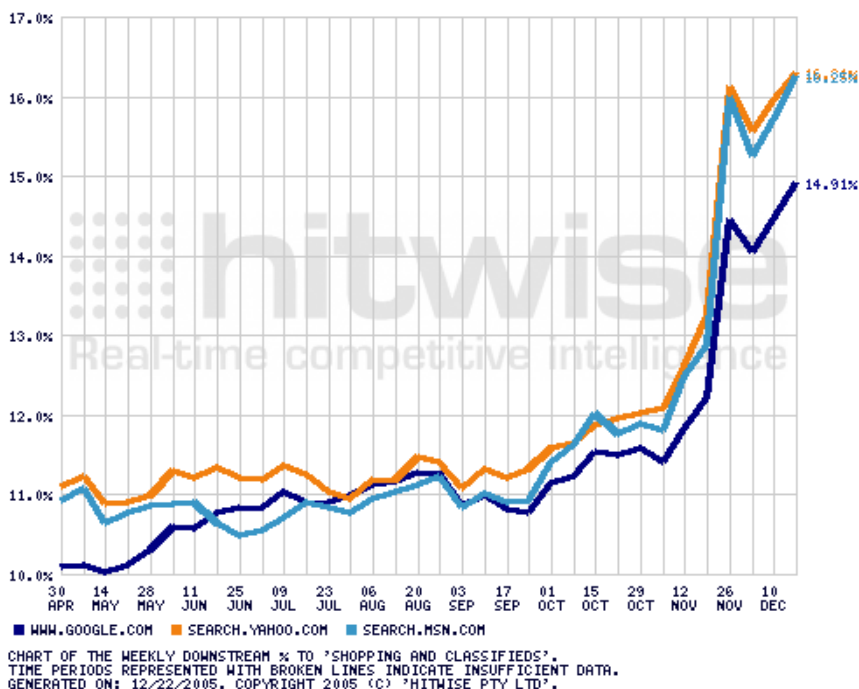
Examining the categories of sites visited directly after Search Engines & Directories sites gives an indication of user activity on search engines. Hitwise data shows that Shopping & Classifieds is one of the largest downstream categories for Search Engines & Directories, indicating that shopping and researching products is a primary mission for those visiting search engines.

4.1. Holiday Shopping Search Activity

During the week of Thanksgiving 2005, Search Engines & Directories sites sent 14.3% of their downstream traffic to Shopping & Classifieds sites, an increase of 19.2% versus the previous week (week ending November 26, 2005 versus week ending November 19, 2005). This indicates that shopping became a top priority for Internet users during the week that is traditionally considered to be the official start of the holiday shopping season.

The chart below shows the percentage of downstream traffic from the three major search engines to the Shopping & Classifieds category.

Figure 3: Trend in Search Engine Downstream Traffic to Shopping & Classifieds Sites May 2005 through November 2005



Google, Yahoo! Search and MSN Search send similar share of visits to shopping sites

While search traffic to Shopping & Classifieds sites began increasing in November, Thanksgiving week saw the steepest increases in shopping activity on search engines.

- During this week, downstream visits to Shopping & Classifieds sites increased by 24.2% for MSN Search, 21.5% for Yahoo! Search, and 18.4% for Google.
- MSN Search and Yahoo! Search, despite lower search volume, sent slightly more traffic to Shopping & Classifieds sites for the week ending November 26, 2005, at 15.99% and 16.11% respectively, compared to Google at 14.46%.

4.2. Shopping & Classifieds Upstream Traffic from Search

The Hitwise Shopping & Classifieds category is divided into sub-categories of sites by vertical industry. With search engines driving such a large volume of visits to Shopping & Classifieds sites, competitive insight can be gained by understanding how online retailers compare to their overall sub-category in the amount of traffic they receive from search engines. Below is a list of Hitwise Shopping & Classifieds sub-categories sorted by the amount of traffic they received from Search Engines & Directories in November 2005.

Table 2: Upstream Traffic from Search for Shopping & Classifieds Sub-categories and Comparison Shopping Sites

Percentage of Upstream Traffic from Search in November 2005			
Shopping & Classifieds Sub-categories	Upstream Traffic from Search Engines	Comparison Shopping Sites	Upstream Traffic from Search Engines
Rewards & Directories	38.05%	www.froogle.com	80.41%
Intimate Apparel & Accessories	34.70%	www.epinions.com	71.36%
House & Garden	32.62%	www.bizrate.com	61.24%
Grocery & Alcohol	29.29%	www.shopping.com	54.61%
Health & Beauty	29.02%	www.shopzilla.com	54.48%
Books	28.88%	www.calibex.com	53.65%
Sport & Fitness	28.56%	www.pricegrabber.com	51.88%
Toys & Hobbies	26.10%	www.nextag.com	51.58%
Apparel & Accessories	25.52%	shopping.yahoo.com	41.45%
Flowers & Gifts	23.34%	eshop.msn.com	27.00%
Department Stores	23.18%		
Office Supplies	22.81%		
Appliances & Electronics	21.96%		
Ticketing	21.24%		
Music	20.47%		
Computers	19.90%		
Video and Games	17.59%		
Automotive	12.19%		

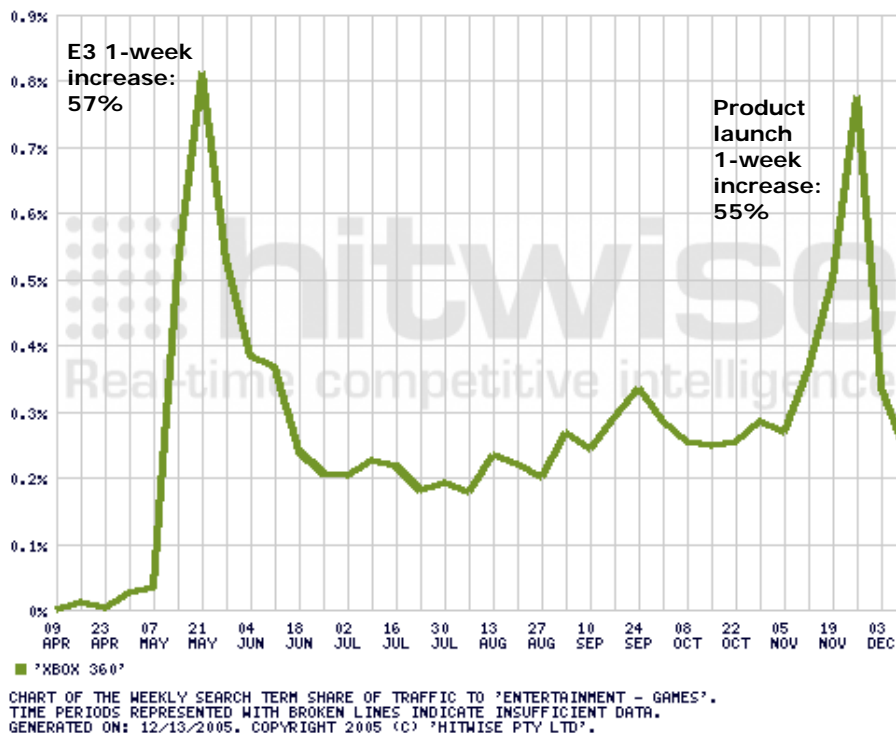
Comparison Shopping and House & Garden Sites Receive Largest Share of Traffic from Search

- The Rewards & Directories sub-category, which contains comparison shopping sites like BizRate.com as well as rewards sites like MyPoints, received the most traffic from search engines in November 2005. Search is the primary traffic driver for comparison shopping sites as shown on the right side of Table 2 above, with most comparison shopping sites receiving over 50% of visits from Search Engines & Directories. Of the comparison shopping sites, Froogle receives the most traffic from search, as Google is the primary means of navigation to the site.
- House & Garden sites and Health & Beauty sites also receive a significant amount of traffic from Search Engines & Directories. This could be due to the vast selection of items available in each category – for instance, the House & Garden category contains sites that sell tools, construction supplies, gardening supplies, cookware, and linens, while Health & Beauty sites include online drugstores, beauty products, and vitamins.

5. Search Term Share of Traffic to a Category

Hitwise Search Intelligence Version 3.0 offers the ability to chart search terms as a percentage of search activity to a specific industry or site. Searcher intent can be gauged by examining how search volume for a specific term compares in sending visits to different sites and industries. Consider the following example with the Xbox 360:

Figure 4: Trend in Percentage of "xbox 360" Share of Traffic to Entertainment – Games category April 2005 through November 2005



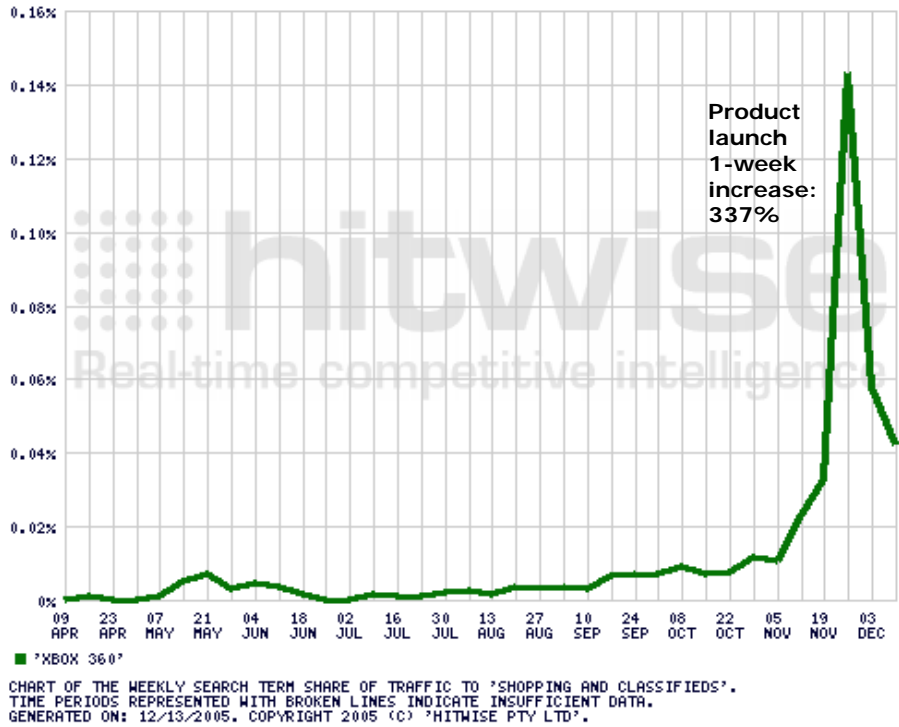
Searches for information on Xbox 360

- Microsoft announced the games that would be available for the much hyped Xbox 360 game console during the week of the E3 interactive entertainment industry trade show in May 2005. During the week ending May 21, 2005, searches on "xbox 360" that resulted in a visit to the Hitwise Entertainment - Games category, which contains www.xbox.com, increased by 57%. During that time period, there were few other sources of information on Xbox 360.
- Searches sending visits to sites in that category increased again during the week of the product launch (week ending November 26, 2005) by 55% versus the prior week.

Searches for purchasing Xbox 360

- Figure 5 below shows the share of search volume to Shopping & Classifieds sites for "xbox 360" over the same time period as Figure 4 above. Because the product was not yet available at retail stores, fewer searches resulted in a visit to a Shopping & Classifieds site. However, as soon as the product became available, searches that resulted in a visit to a Shopping & Classifieds site skyrocketed.
- The increase in search term share of traffic for "xbox 360" to Shopping & Classifieds sites increased by 337% for the week ending November 26, 2005 versus the prior week, indicating that searches during that period were more likely to be from those interested in purchasing the product rather than finding information about it.

Figure 5: Trend in Percentage of "xbox 360" Share of Traffic to Shopping & Classifieds category April 2005 through November 2005



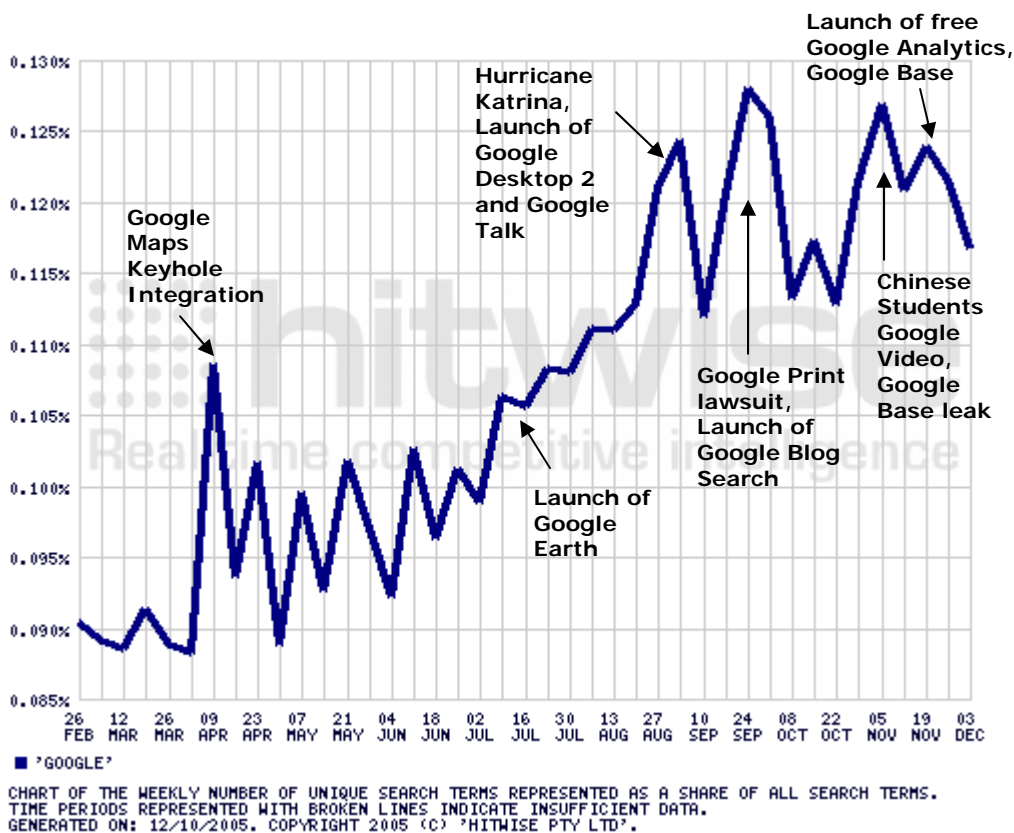
Insight into searcher intent

- By comparing the share of searches that a specific keyword sends to different industries, online marketers can determine how their site or product offerings fit with user intent and plan their campaigns accordingly.

6. Keyword Breadth and Product Popularity

Hitwise Search Intelligence Version 3.0 offers the ability to chart keyword breadth for a term. Keyword breadth is the incidence of the number of searches containing a specific keyword as a percentage of all searches. If a keyword representing a concept, product, or brand becomes more popular based upon seasonal trends, product launches or news coverage, there will be a greater number of search phrases containing that keyword. The utility of this tool can be demonstrated by examining the keyword breadth for "google" as shown in Figure 6 below.

Figure 6: Trend Keyword Breadth for Searches on "google"
March 2005 through November 2005



Trending Google's product offerings

In the past seven months, Google has introduced a significant number of new products and product enhancements. The releases of each product can be seen in Figure 6 as increases in the keyword breadth for "google."

- The Google Maps integration with Keyhole, which enabled users to view satellite images, had a significant impact on Google's keyword breadth, as did Google Earth. After the launch of Google Earth in July, Google's keyword breadth continued its upward climb as more users found out about the application.
- In late August, Google Desktop 2 and Google Talk were launched. Additionally, Hurricane Katrina prompted more searches for Google Maps and Google Earth as Internet users tried to familiarize themselves with the areas affected by the hurricane.
- On September 20, 2005, the Author's Guild filed a lawsuit against Google Print, bringing attention to the still small Google Print search engine, and provoking more searches.

- In late October, the viral spread of a video of Chinese students lip-synching a Backstreet Boys song prompted additional searches for Google Video. During the same time period, the existence of Google Base was discovered and speculation about the upcoming service flew about the blogosphere and the mainstream press.
- On November 14, Google announced that it would offer Google Analytics, its site centric web analytics tool, for free. In addition, Google launched the beta version of Google Base, a search site for user generated content, including classifieds.

Comparing search term suggestions

The Hitwise Search Term Suggestion Report allows users to extract a complete list of keyword phrases containing a search term in a specified time period. Examining the number and content of these phrases allows the marketer to understand how the brand or product is being perceived by searchers in a given time period.

- For the four weeks ending December 3, 2005, Hitwise captured 5,033 phrases containing the word "google." This is an increase of 46% compared the four weeks ending March 26, 2005 (before the integration of Google Maps with Keyhole), during which Hitwise captured 3,449 search phrases containing "google."

Table 3: Top 10 Search Term Suggestions for "google"

Top 10 Search Term Suggestions for "google"			
Four weeks ending March 26, 2005		Four weeks ending December 3, 2005	
Search Term	Volume of Searches	Search Term	Volume of Searches
google	54.55%	google	48.73%
google.com	15.53%	google.com	13.10%
www.google.com	6.89%	www.google.com	5.94%
google search	3.26%	google earth	5.92%
google search engine	1.97%	google search	2.65%
google toolbar	0.90%	google maps	2.01%
google maps	0.82%	google search engine	1.36%
google search engine home page	0.63%	google map	0.78%
google images	0.51%	google toolbar	0.59%
google mail	0.42%	google search engine home page	0.41%

Google Maps and Google Earth extend the Google brand

Table 3 shows that the share of keyword breadth for navigational searches (i.e., "google," "google.com," "google search") for Google has decreased as the number of keyword phrases increased.

- The volume of searches on "google maps" increased from 0.82% of searches containing "google" during the four weeks ending March 26, 2005 to 2.01% of "google" searches for the four weeks ending December 3, 2005.
- "Google earth" accounted for 5.92% of searches containing "google" for the four weeks ending December 3, 2005, indicating the popularity of this product.
- The examination of keyword breadth and historical search term suggestion data allows the online marketer to glean valuable insights on searcher interest and opinion of new products, enabling more strategic planning of future campaigns.

7. Terms used in this report

Hitwise provides clients with various metrics for analyzing competitive activity. This includes User Visits, Average Session Time and Page Requests. Hitwise defines these metrics in conjunction with the industry standard definitions published by the US Internet Advertising Bureau's Media Measurement Task Force on 'Metrics and Methodology'. The IAB's Media Measurement Task Force has published guidelines for the comparative measurement of website usage:

All Sites: Includes all websites visited by U.S. Internet users across all 160+ Hitwise industries except Adult, ISPs and Ad Servers.

Average Session Time: The elapsed time from the first to the last page request that constitutes a visit, and adding the average time per page for such a visit.

Clickstream: The Hitwise Clickstream information provides an indication of the upstream and downstream traffic to and from a website. Clients can use this information to analyze the traffic generation strategies of their competitor's sites and understand where traffic moves to once it leaves a site.

Downstream: Downstream sites are those visited immediately after leaving the reported site.

Industry: Represents one of the 160 vertical industries of websites measured and reported by Hitwise.

Market Share: The percentage of all traffic to a particular online industry that is received by the individual website.

Upstream: Upstream sites are those sites visited immediately prior to visiting the reported site.

User Visit: A series of page requests by a visitor without 30 consecutive minutes of inactivity. Identified by a collection of page requests from a unique identifier grouped together to form a visit.

8. About Hitwise

Hitwise is the world's leading provider of online competitive intelligence services. Each day, Hitwise monitors how more than 25 million Internet users from around the world interact with over 500,000 websites, across 160 industries. Only Hitwise can provide marketers with daily information on customers and competitors to better maximize the return on their online investments in areas such as:

- Benchmarking against competitors
- Customer Acquisition Programs
 - Search Marketing
 - Affiliate Programs
 - Advertising and Promotion
- Content Development
- Lead Generation and Business Development

Hitwise collects anonymous Internet usage information from a combination of Internet service provider (ISP) data partnerships and opt-in mega panels. The Hitwise methodology captures home, work and educational access, and complies with local and international privacy legislation. Hitwise methodology and privacy compliance is audited by PricewaterhouseCoopers on a quarterly basis.

Clients of the Hitwise service access daily market and competitive insights via the user-friendly Hitwise Web interface—www.hitwise.com. Annualized agreements can be customized to meet a client's specific business objectives. Fees are based on levels of access to the following:

- Industries
- User licenses
- Intelligence tools
- Market-specific data

All Hitwise clients are assigned a dedicated Account Manager, and receive ongoing product training and technical support.

Founded in 1997, Hitwise is a privately held company headquartered in New York City and operates in six global markets:

- United States
- United Kingdom
- Australia
- New Zealand
- Hong Kong
- Singapore

Contact Details:

For further updates on the online search industry through 2005, or information on how your website compares against competitors, please contact:

Lizzie Babarczy at (212) 380-2910 or lizzie.babarczy@hitwise.com.

Hitwise Disclaimer

Note - Some of the data presented in this report is based on custom data sets built for the purpose of this report and is not available in the syndicated Hitwise service.

This research report may contain names, information, data, links to third party website addresses, and other materials belonging to third parties; including textual references to such items. Any and all such uses are for illustrative purposes only and do not necessarily indicate an endorsement of the opinions, products or services provided by those third parties. Hitwise does not claim any proprietary right in, or to, any such items as may qualify as copyrights, trademarks or other proprietary marks of third parties.

Hitwise is not responsible for the content of third party websites, or the manner in which information may be collected on that website and used by the third party. Hitwise disclaims any responsibility towards the visitor of a third party website or any third party for any direct, indirect or incidental reliance, consequential or punitive damages, including without limitation lost profits, expenses or revenue; regardless of whether Hitwise knew, or ought to have known, of the possibility of any loss or damage arising from the use of, or visit to, a third party's website.

Use of this research report is at your own and sole risk. Hitwise disclaims any and all warranties or representations in respect of the accuracy or usefulness of information, or any observations that may be derived from such information, obtained from Hitwise.