

# **Pinstorm Predicts 5.3 Billion Holiday- Season Related Searches This Quarter**

**Hanisha Vaswani**

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502, Dheeraj Swapna,  
Pali Naka, Bandra West,  
Bombay,  
India  
+91 22 2640 6456  
[info@pinstorm.com](mailto:info@pinstorm.com)

There are three major gift giving seasons of the year -- Valentines Day, Mothers Day and the Holidays. And if the online sales for Valentines Day 2005 and Mothers Day 2005 are anything to go by, Christmas 2005 will see atleast to US\$28 billion worth of business being transacted online from US customers alone (see Table 1 below), with UK and Europe customers matching up with similar numbers<sup>[11]</sup>.

Holiday	2004 revenues	2005 revenues	% increase
Valentines Day <sup>[1]</sup>	\$2.9 billion	\$3.9 billion	26%
Mother's Day <sup>[2]</sup>	\$3.1 billion	\$4.4 billion	30%
Holidays	\$23.6 billion <sup>[5]</sup>	<b>\$28.3 billion*</b>	20%*

Table 1: Online Commerce Revenues (US) for three major gift-giving seasons, 2004 and 2005. (Numbers marked with \* are projections.)

On the Search Marketing front as well, things have never been better. In the annual Shop.org SORO survey, online retailers have claimed that 43% of all customers to their sites are driven by search marketing<sup>[6]</sup>.

If this population of 43% of customers is also therefore proportionately responsible for 43% of all online sales, we can peg search marketing's projected contribution to 2005 Holiday Season sales at US\$16.2 billion in the US alone.

At Pinstorm, we tried to estimate what searchers are looking for this holiday season, how often they will search online, and how marketers can tap this market.

Our estimates, made on the basis of a sample keyword pool of 14,750 words (generated by our BroadWords™ technology) claim that Search Volumes for the 2005 Holiday Season will cross 5.3 billion.

*5.3 billion searches, leading to possible sales of \$16.2 billion.*

*So, what will people be searching for this season?*

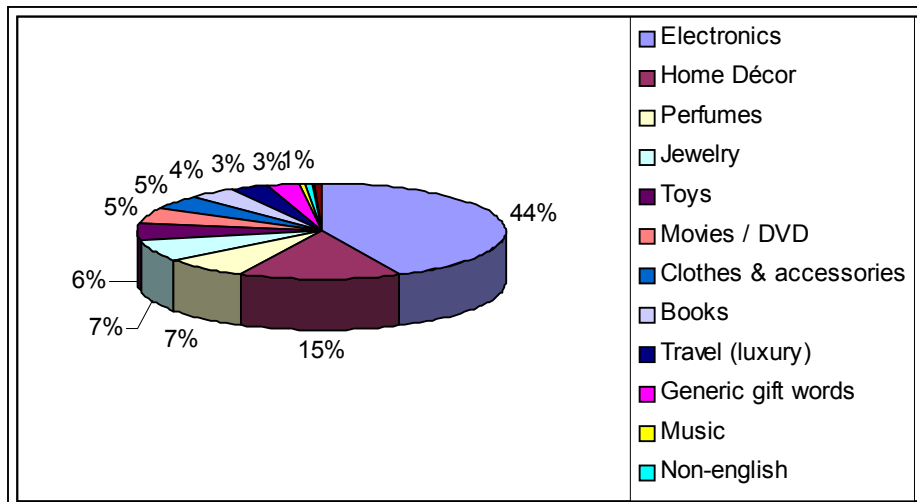


Fig. 1: What will be searched this Holiday season.

Old favourites — Consumer electronics, Music, Books, Toys, and Apparel — are still hot, but Jewellery, Luxury travel, Cosmetics & Perfume, Home décor, and even Food are the new stars this year.

Category	Word Pool	Estimated Searches
Electronics	814	2,280,831,600
Home Décor	388	759,607,200
Perfumes	356	394,489,200
Jewellery	4,627	382,621,200
Toys	654	300,576,000
Movies / DVD	637	291,807,600
Clothes & accessories	557	246,854,400
Books	501	221,247,600
Travel (luxury)	439	174,702,000
Generic gift words	135	155,186,400
Music	2,499	26,850,000
Non-english	272	25,561,200
Watches	2,340	20,630,400
Food	169	18,704,400
Gift cards	362	6,945,600
<b>Total</b>	<b>14,750</b>	<b>5,306,614,800</b>

Table 2: Estimated Search volumes by category, 2005 Holiday Season<sup>[7]</sup>.

*So, what would you need to be a part of this market?*

Deep pockets could help. Average cost per click in 2005 is already 25% higher than that in 2004<sup>[8]</sup>. And as more marketers discover the medium, bid prices of words are increasing across the board.

To add to it, the holidays traditionally see a seasonal spurt, because many marketers are trying out search for the first time, or running holidays-only campaigns. All these mean that marketers will see what is called the CPC wave.

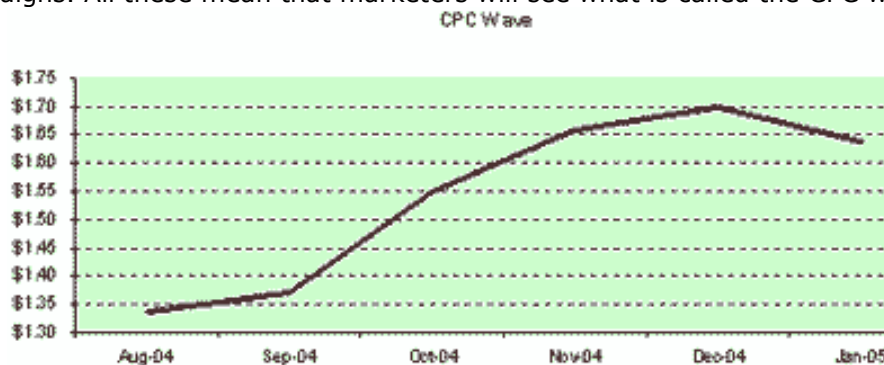


Fig. 2: The CPC Wave. -- Average CPCs, 2004 holiday season<sup>[9]</sup>.

And in the absence of deep pockets? Some common-sense and a lot of preparation would do the trick.

Preparation would mean a well-planned campaign. Finding thousands (or millions) of non-obvious words that your competitors haven't found is one aspect of that planning. At Pinstorm, we have found that using a diverse keyword pool has helped in two ways; in helping to control cost per click, and in increasing the quantum of clicks.

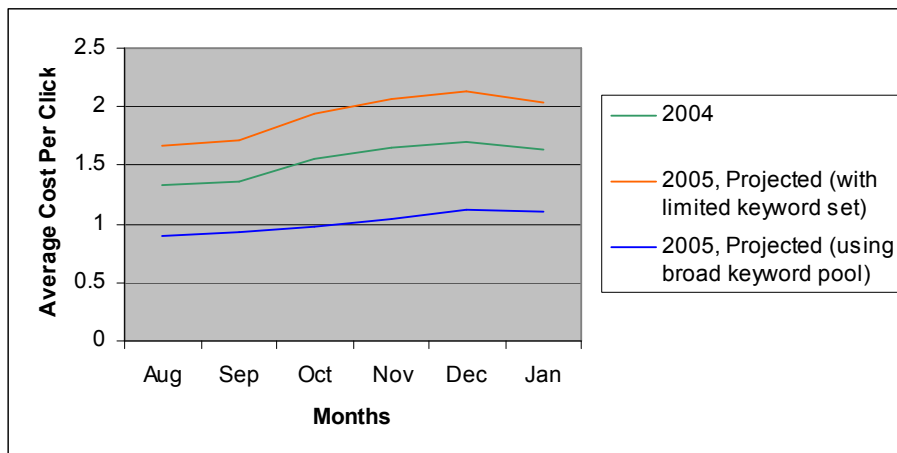


Fig 3: Projections of 2005-06 Costs-Per-Click with restricted and broad keyword sets.


Another aspect is to begin early, and begin well. And for that you need to understand the mindset of the searcher.

*So, what is the searcher actually looking for when she searches – and how do you convince her she's looking for you?*

People search for various reasons, and their search patterns vary according to the stage of the buying cycle they're in.

1. *Initial Research* – Searchers have no particular gift in mind. More likely to use words such as *Christmas gifts, gifts for colleagues, gifts for teenagers, gifts under \$20, etc.*
2. *Researching* – Know what kind of thing they want to gift, but are unaware/ undecided as to the brand. Typical search terms will be like *best selling toys holidays 2005, top singles 2005, cool gadget gifts.*
3. *Researching* – Consumers who know the various brands of the product they want to buy, and are probably comparing features. Typical search terms will be like *iPod nano, Furby, etc.*
4. *Comparison Shopping* – Looking for deals on products they want to buy. Sample words: *discounts iPods, cheap crystalware, etc.*
5. *Buying* – especially in parity products, where prices across merchants are expected to be the same, or for small-ticket items, searchers use words such as *buy flowers, florist Kensington, etc.*

Marketers will have to adopt a combination of strategies through the holiday period to reach out to searchers of all kinds. The table below highlights our recommendation on how holiday search campaigns can utilize their budgets and efforts to the maximum.



	<b>Customer mood<sup>[10]</sup></b>	<b>What will largely be bought?</b>	<b>Recommended Search marketing strategy<sup>[11]</sup></b>
<b>October 15<sup>th</sup> - 30<sup>th</sup></b>	<p>Research for expensive purchases (to buy or not). Also, looking at product features.</p> <p>Buy stuff that will take long to ship, will have to be specially ordered, or may get sold out later.</p>	<p>Travel -- tickets, hotel rooms, packages, cruises</p> <p>Clothing</p> <p>Custom-made products, Hand-made products</p> <p>Foreign / exotic products</p>	<p>Build brand awareness, and keyword performance history.</p> <p>Achieve higher clickthroughs even at the cost of conversion rate.</p>
<b>November 1<sup>st</sup> - 15<sup>th</sup></b>	<p>Comparison shopping for big purchases (buy from whom) looking at price tag</p> <p>Shopping begins in earnest, but shoppers may wait for comparing prices with Thanksgiving Sale prices</p>	<p>Travel</p> <p>Clothing, accessories, cosmetics, home décor, electronics, Custom-made products</p> <p>Hand-made products</p> <p>toys, books, music, movies</p> <p>jewellery</p>	<p>Focus on brand differentiators in the campaign.</p> <p>Begin highlighting special holiday ranges or promotions.</p>
<b>November 16<sup>th</sup> - 31<sup>st</sup></b>	<p>Thanksgiving sees high online sales</p> <p>Offline Thanksgiving sales give consumers chance to compare prices online and offline.</p> <p>Post Thanksgiving weekend, online sales will begin to see a rise</p>	<p>Christmas decorations, home décor, home electronics, Art</p> <p>Travel</p> <p>Clothing, accessories, cosmetics, home décor, electronics, toys, books, music, movies, jewellery</p>	<p>Continue to focus on factors that differentiate brand.</p> <p>Highlight promotions, and incentives (free shipping, gift-wrap, etc).</p> <p>Previously built keyword performance history will ensure your ads have high rankings.</p>
<b>December 1<sup>st</sup> - 10<sup>th</sup></b>	<p>Sales will peak, as customers try to avail of free shipping and other early-bird incentives offered by retailers</p>	<p>Christmas decorations, home décor, home electronics, jewellery, food hampers, wine, flowers</p>	<p>Highlight any promotions (early bird schemes, for instance) that are ending.</p>
<b>December 11<sup>th</sup> - 20<sup>th</sup></b>	<p>Perishable stuff will mainly begin to be bought now.</p> <p>Known stores will see greater sales on their sites.</p>	<p>Anything. Flowers, cards, food hampers, wine, paid music downloads (like itunes)</p>	<p>Highlight that few days are left. Indicate shipping deadlines in copy.</p>
<b>December 21<sup>st</sup> - 25<sup>th</sup></b>	<p>Last-minute purchases. Will typically include items that exist only in electronic form, have no shipping delays.</p> <p>With better logistics at retailers' disposal, regular gift purchases may continue as late as 22nd December.</p>	<p>Gift certificates, flowers, cards, paid music downloads</p>	<p>Indicate extended / expedited shipping, if available.</p> <p>Focus on selling more gift cards/ certificates to searchers who use 'research'- style terms. (Convince undecided customers)</p>

Fig 4:Holiday Search Marketing Planner  
 Expected search patterns, and recommended search marketing strategies – Holiday Season, 2005

References:

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- [3] '[Americans Head Online for Love or Money: Valentine's Day and Tax Preparation Drive February Web Activity](#)', comScore Media Metrix, Reston Virginia, March 17, 2005
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- [11] Pinstorm recommendation.
- [12] [Interactive Media in Retail Group](#), UK, Press Release