



**FIRST.**

---

Searching for Consumer Electronics Online

---

Which websites are maximising their market share?



# Calculating share of search

- Rankings Based Reach (RBR)\* provides a simple way to compare a website's search engine rankings with its competitors.
- RBR is an estimate of the percentage of available search traffic a website will receive for a set of phrases – this gives the sites share of search or reach.
- It is weighted based on the popularity of each search phrase and the relative click through rate (CTR) of each ranking position.

\*Source: Rankings Based Reach (RBR) is a methodology developed by FIRST



## Selected sites

The following New Zealand consumer electronics sites were selected for Ranking Based Reach (RBR) organic search performance analysis.

Sites
dicksmith.co.nz
globalpc.co.nz
harveynorman.co.nz
jaycar.co.nz
jbhifi.co.nz
mightyape.co.nz
noelleeming.co.nz
pbtech.co.nz
thewarehouse.co.nz
wiseguys.co.nz





# Google: Search engine results page 1

What the consumer sees: The top of the Google search results page for a search on 'tablets'

The screenshot shows a Google search for 'tablets'. At the top, it says 'About 577,000,000 results (0.33 seconds)'. The search bar contains 'tablets' and there are tabs for 'Web', 'Images', 'News', 'Videos', 'Maps', 'More', and 'Search tools'. The results are divided into two columns. The left column contains organic search results, and the right column contains paid search results. The organic results include links to 'iPad Air 2', 'Samsung, Asus, Windows Tablet', 'Buy New Tablets - trademe.co.nz', 'Tablets - Harvey Norman', 'Best tablet 2015 - TechRadar', 'Tablet computer - Wikipedia, the free encyclopedia', 'Android Tablet - Noel Leeming', 'Tablets - Computers & Tablets - Dick Smith', 'Tablet PC - iPad - Android - JB Hi-Fi', 'Tablet Reviews | Tablets Review | PCMag.com - PC Magazine', and 'Multimedia tablet - PriceSpy'. The paid results include 'Tablets' from mightyape.co.nz, 'Ship Your Apple Tablet' from myus.com/, 'Top 10 Tablets 2015' from comparison411.com, 'Wacom Tablets & Supplies' from computerstore.co.nz, 'Tablets up to 70% off' from firesales.co.nz, 'China Tablet' from made-in-china.com, '10 Best Tablets' from zapmeta.co.nz, and 'Tablet Reviews' from about.com.

Up to 3 keyword-related Google ads for paid search terms lead the Google search results page: only Harvey Norman rank in the second position for the search term 'tablets'.

Under the organic search results just a few of the analysed companies rank on Google's first page starting with Harvey Norman, followed by Noel Leeming, Dick Smith and JB Hi-Fi for the search term 'tablets'.

Paid search results

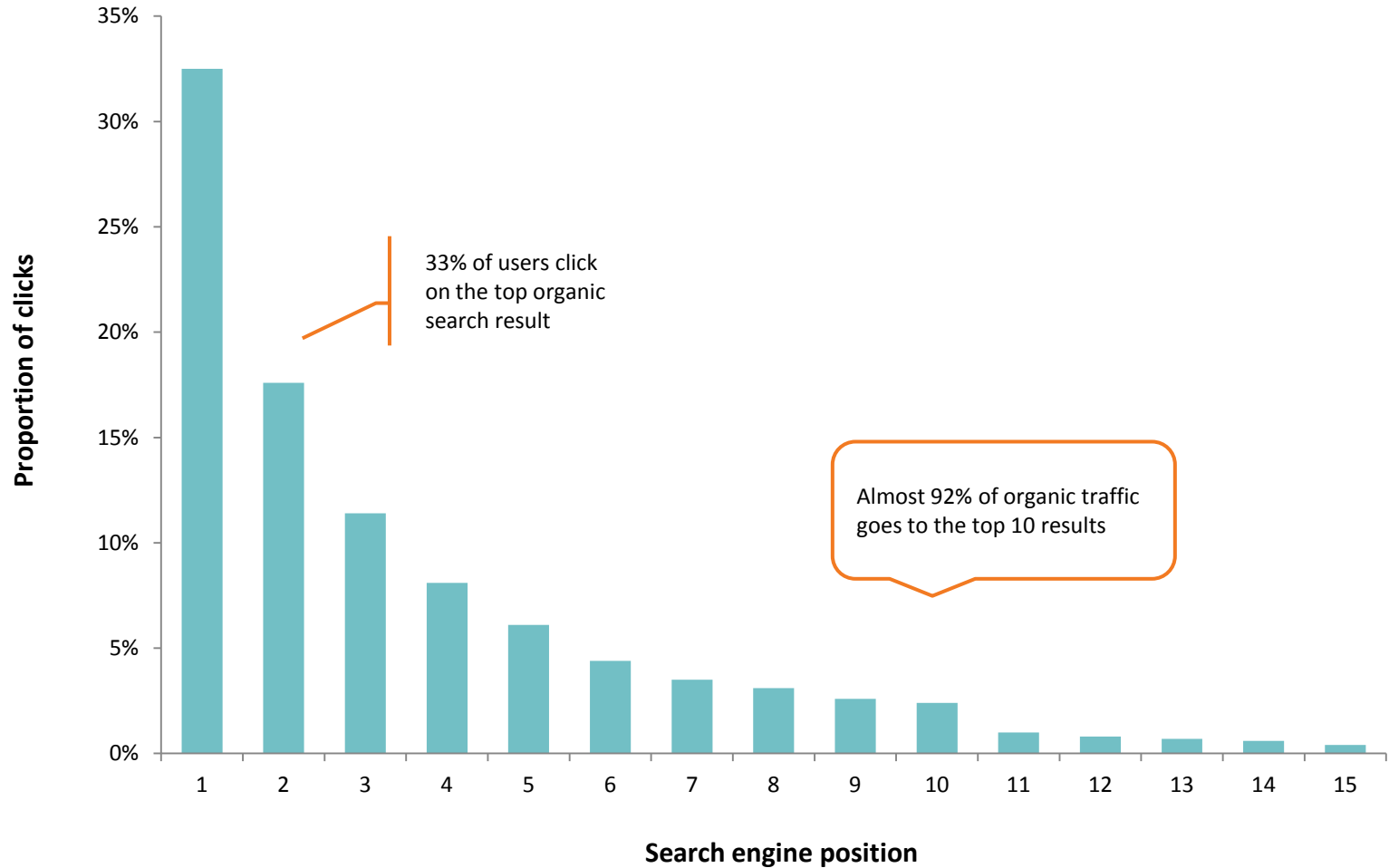
Mighty Ape is ranking on the third position the paid search results. In total there 11 companies ranked for paid search. That represents the maximum number of paid search results for the first page. Given that, the consumer electronics market is highly competitive.

Organic search results





# The importance of top rankings



Source: Chitika, 2013 (Organic Search)



# Rankings Based Reach: Natural Search



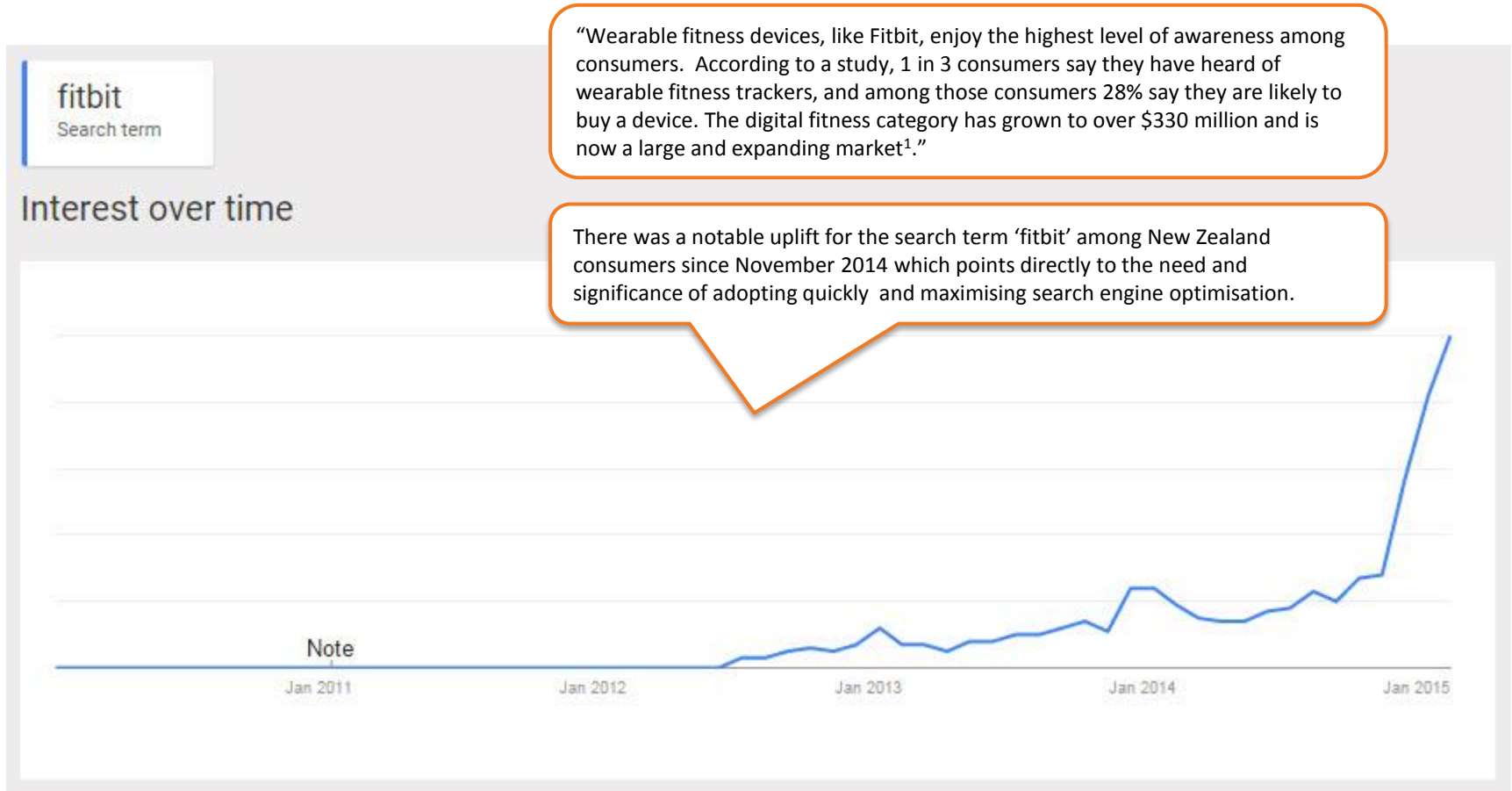
There is an opportunity for all consumer electronics retailers to compete by optimising for highly relevant and popular search phrases. By improving their RBR score, they will be able to seize opportunities to boost online sales revenues.

\* includes all websites under the relevant domain name (e.g. including www.)

Source of ranking data: Google New Zealand, www.google.co.nz, Mar 2015

# Search trends

The chart below illustrates interest in key search term 'fitbit' in New Zealand over the last 5 years.



Graph source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, Mar 2015

<sup>1</sup>Source: Wearable tech device awareness surpasses 50 percent among US consumers, according to NPD, Jan 2014



# Search trends

The chart below illustrates interest in key search term 'smartwatch' in New Zealand over the last 5 years.



Graph source: Relative total keyword performance on a normalised scale of 1 to 100, Google Trends, New Zealand, Mar 2015

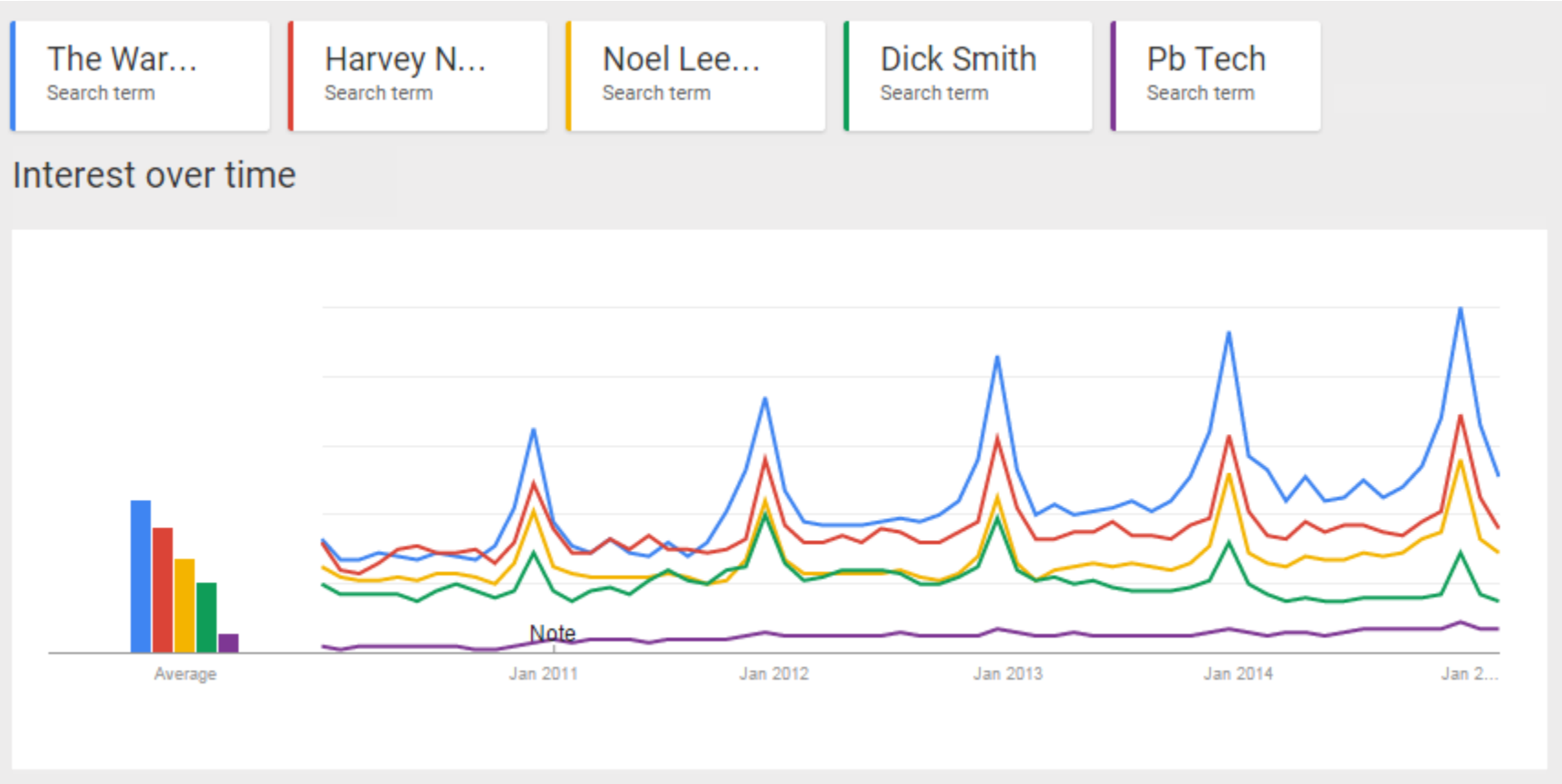
<sup>1</sup>Source: The Wearables Report: Growth trends, consumer attitudes, and why smartwatches will dominate, Oct 2014



# The Warehouse extends its brand lead online

The chart illustrates that the brand search terms for The Warehouse, Harvey Norman and Noel Leeming show strong seasonal trends with peaks in the Christmas period. The trend data also suggests that The Warehouse is accelerating away in terms of online brand search.

**To combat being left behind, runner-up stores (for consumer electronics) need to drive consumer brand recognition via search, display, social and email remarketing campaigns.**

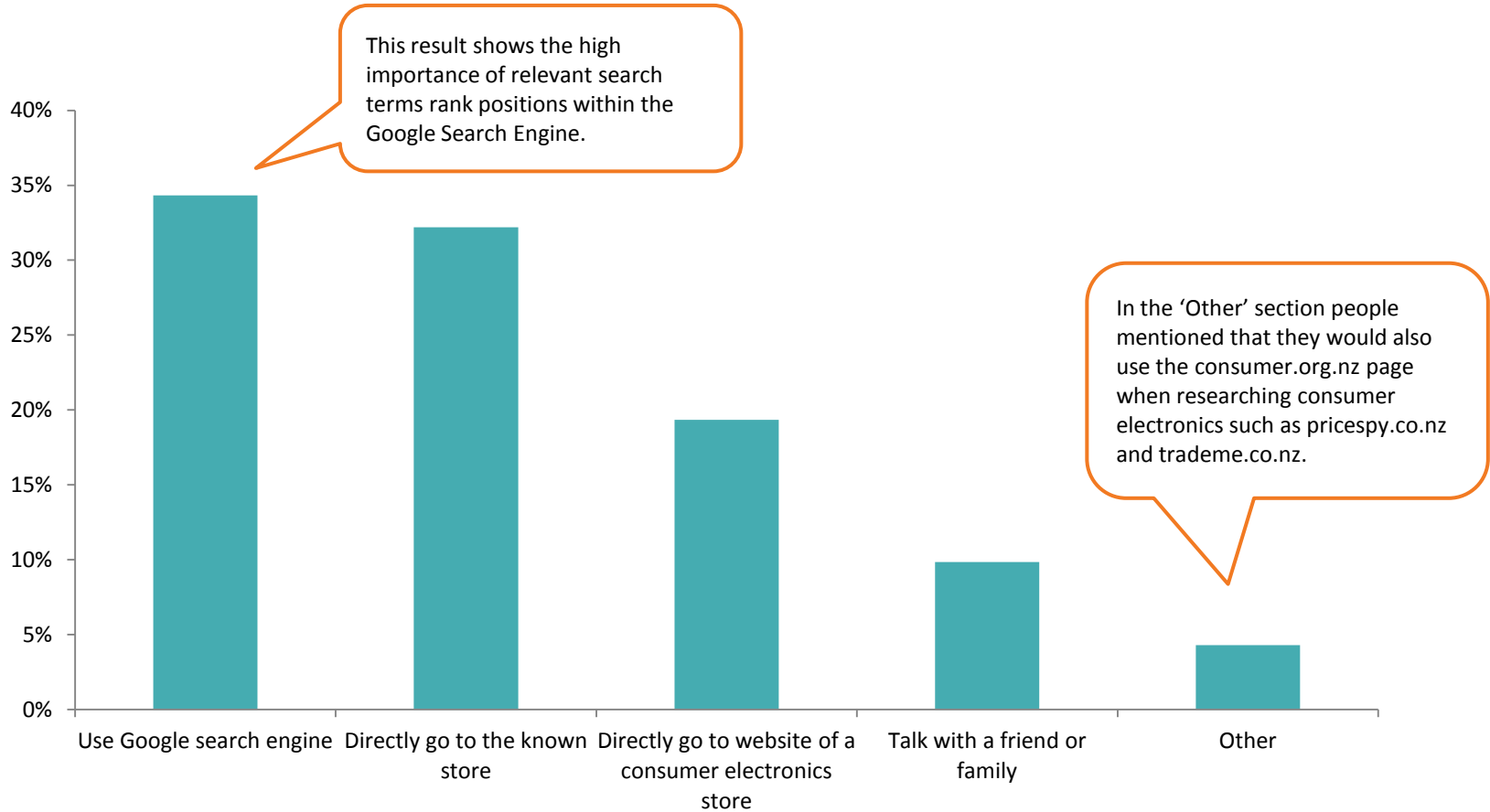


Source: Relative total keyword performance on a normalised scale 1 to 100, Google Trends, New Zealand, Mar 2015



# Consumer Research: 'Purchases' and 'where consumers go first'

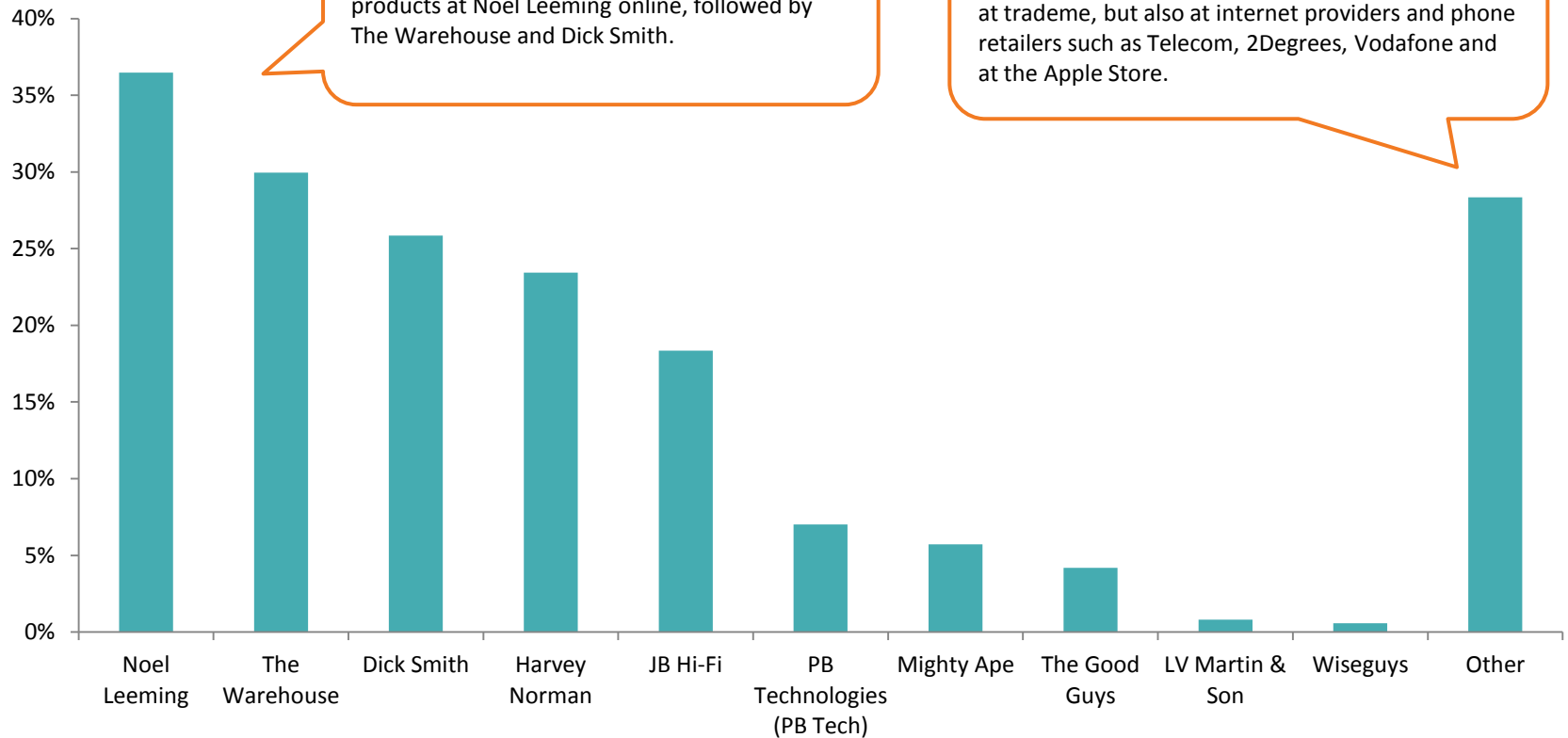
**Question 1: Typically, where is the first place for you to go when researching consumer electronics?**



This representative survey was carried out by 3Di Research on the Great Sites platform Mar 2014 (n=1,242).

# Consumer Research: Online purchases in the last 12 months

**Question 2: From which of the following websites have you purchased consumer electronics in the last 12 months? (Tick all that apply).**



More than 35% of all Kiwis have purchased their products at Noel Leeming online, followed by The Warehouse and Dick Smith.

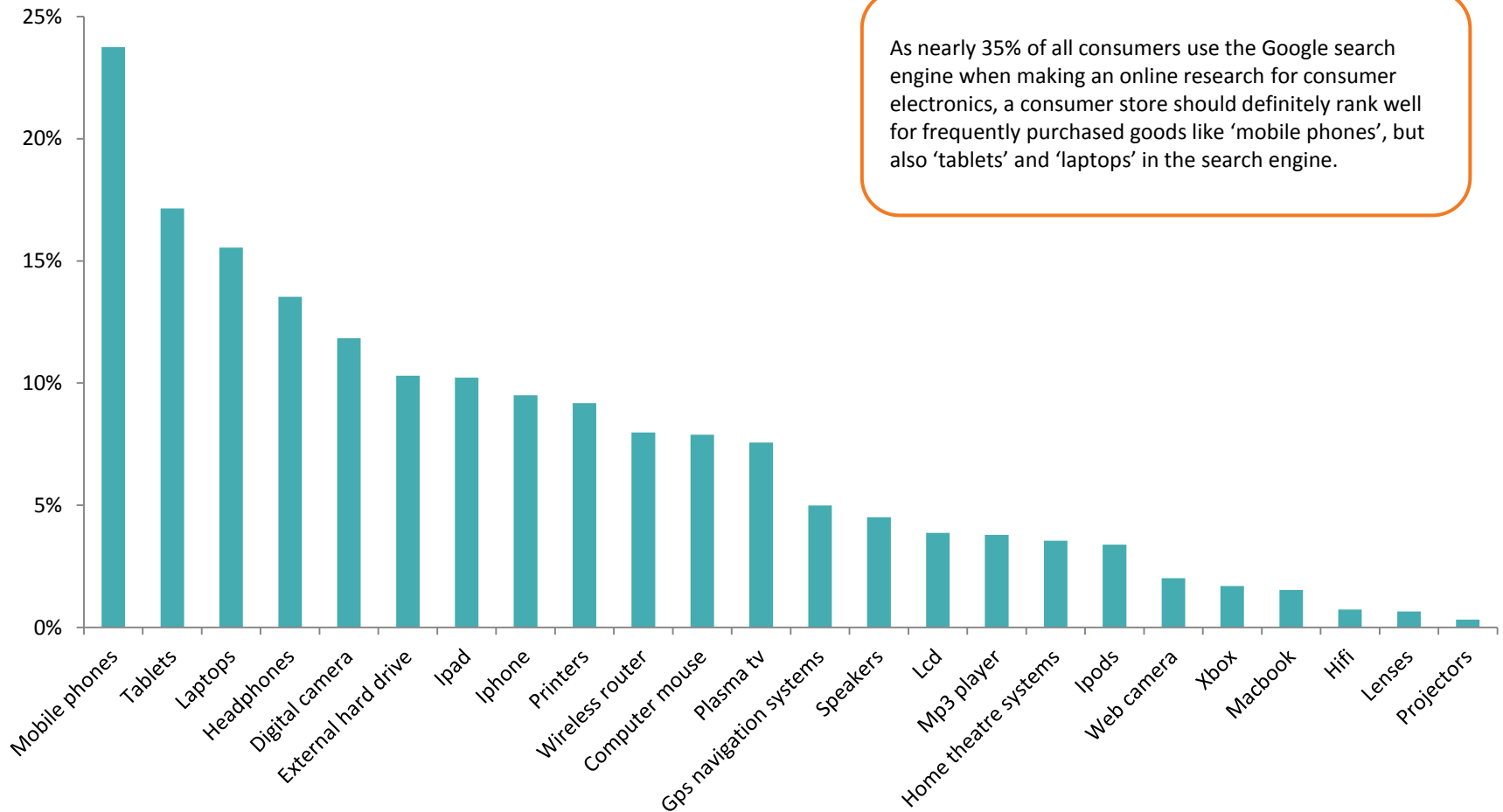
Our research also showed that a significant number of people also have purchased consumer electronics at trademe, but also at internet providers and phone retailers such as Telecom, 2Degrees, Vodafone and at the Apple Store.

This representative survey was carried out by 3Di Research on the Great Sites platform Mar 2014 (n=1,242).



# Consumer Research: Purchased Products in last 12 months

**Question 3: Which electronics products have you bought online in the last 12 months? (Tick all that apply)**



As nearly 35% of all consumers use the Google search engine when making an online research for consumer electronics, a consumer store should definitely rank well for frequently purchased goods like 'mobile phones', but also 'tablets' and 'laptops' in the search engine.

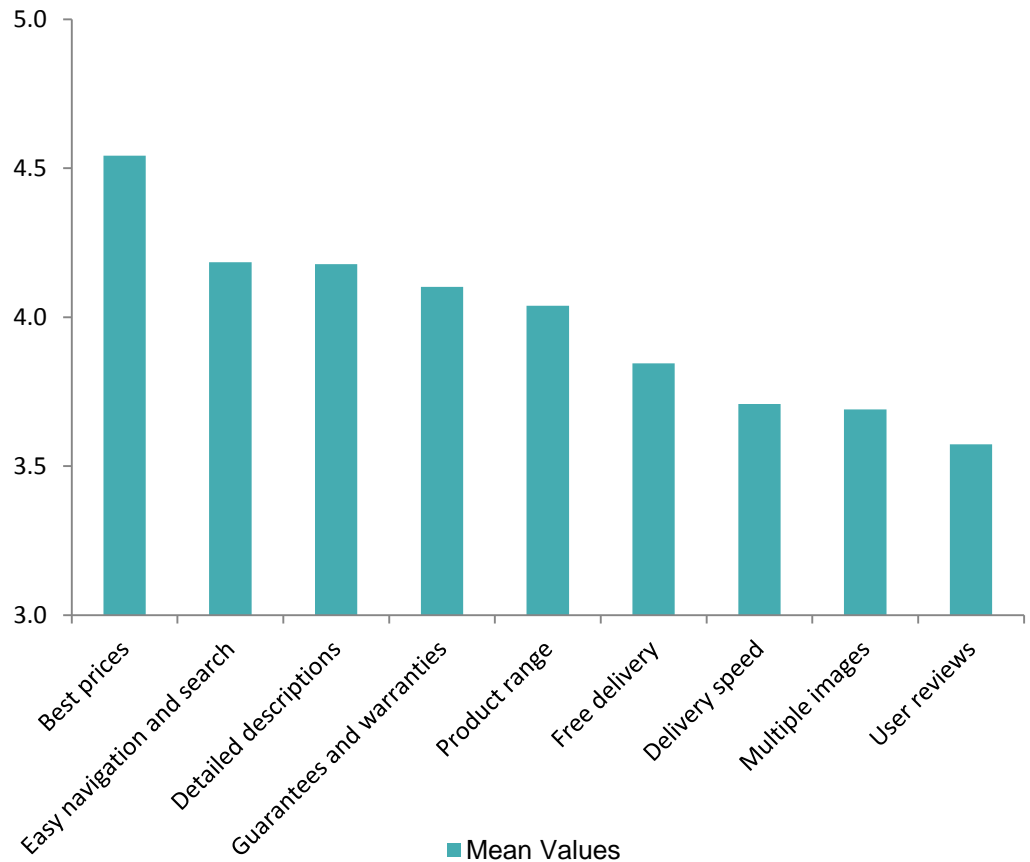


# Consumer Research: What's important when shopping Online

**Question 4: What is important for you when shopping online? (Rank the following on a scale of 1-5, 1 being least important and 5 being of great importance).**

**Conclusions:** Easy navigation and search, best prices and detailed descriptions tend to play the most important factor for consumer online buying decisions.

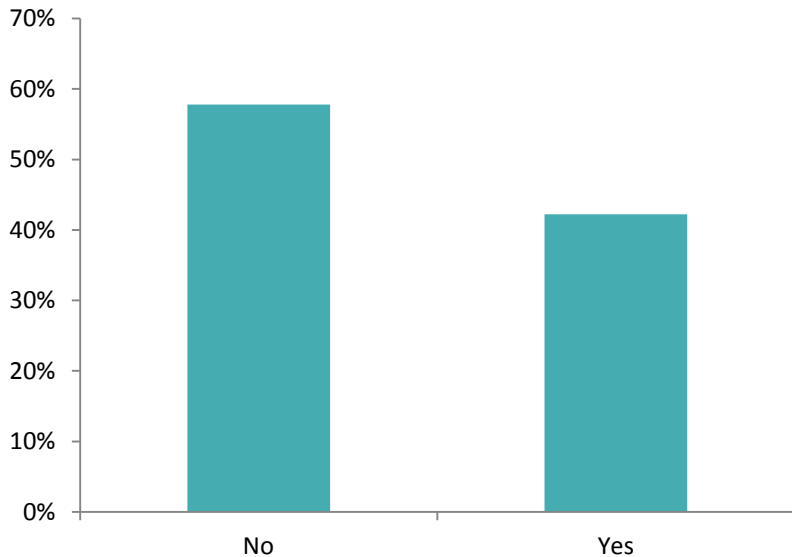
User reviews seem to play the least important factor of all, and images and delivery speed tend to be not that important for most people.





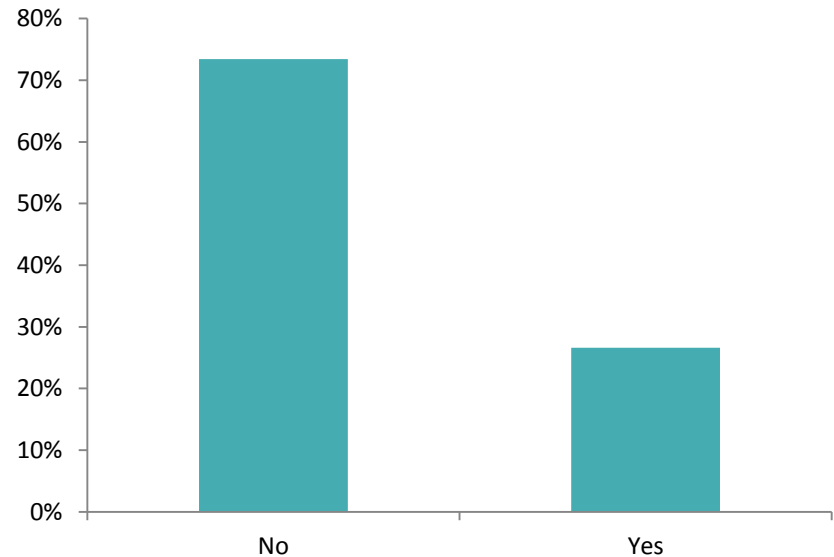
# Consumer Research: Store or Online?

**Question 5: Have you ever gone to a consumer electronics store specifically to view a product with the intention of purchasing online (either via that brands or a competitors website)?**



More than 40% of all consumers have already entered a consumer electronics store with the intention of actually buying the product online. This means that 1 in 2.5 customers entering a store don't even have the intention of buying a product in the real store, but online.

**Question 6: In the last 12 months, have you gone into an electronics store and used your mobile device to compare prices of competitors while in-store?**



Slightly more than 25% of consumers tend to make a comparison of competitor prices while in-store. As more and more people use their mobile phones to surf in the internet more frequently, it's likely that these numbers will increase.



# Consumer Electronics – FIRST Insights



- The performance of the consumer electronics market is forecasted to increase to a value of NZD \$570.1 million by the end of 2018<sup>1</sup> and thus there will be a need for online search results optimisation to remain competitive among New Zealand online consumers.
- “The global wearables market (e.g. fitbit and smartwatches) will grow at a CAGR of 35% over the next five years, and by 2019 the enterprise wearables market will be worth \$18 billion, says Gartner. The first major adoption of this technology is in the consumer market, and it will then translate into other businesses as well<sup>2</sup>.”
- Majority of the analysed consumer electronics retailers have low RBR scores. There is significant opportunity for these retailers to improve their RBR or search engine reach – for important and popular keywords in organic search.
- Due to their low RBR scores, search results are broadly dispersed among a wide range of competitors. In the competitive and margin-driven electronics market, retailers need to optimise the most cost effective marketing channel - search.
- **A considered search strategy that integrates both organic and paid search should be a key customer acquisition channel for consumer electronic stores, driving revenue and growing the stores share of digital spend.**

<sup>1</sup>Source: Consumer Electronics in New Zealand, Market Line, May 2014

<sup>2</sup>Source: War of the wearables comes to the enterprise, IT Brief, Mar 2015



# About FIRST.

FIRST is an award-winning team of smart Digital Marketers who have helped over 300 companies across 100 industries achieve success online. We help our clients to grow online sales, revenue and improve their ROI.

Our expertise in digital marketing has been built on over 15 years experience in digital strategy, analytics, conversion, search marketing and digital campaigns.

Get in touch to find out more...



Grant Osborne  
General Manager NZ

Phone	+64 (9) 920 1740
Email	info@firstdigital.co.nz
Web	<a href="http://www.firstdigital.co.nz">http://www.firstdigital.co.nz</a>
	<a href="http://www.linkedin.com/company/first-digital">http://www.linkedin.com/company/first-digital</a>
	<a href="http://www.firstdigital.co.nz/blog">http://www.firstdigital.co.nz/blog</a>
	<a href="http://twitter.com/first_nz">http://twitter.com/first_nz</a>

