On Strategic Value of Default Home Page to Google
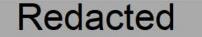
PMetrics Team

Google

Executive Summary

- **25% users have Google as default home page (hp)**
  - 30%+ in EMEA and LatAm
  - *Half* that in APAC and NorthAm

- **Search share strongly correlated with default hp**
  - Users with Google as home page do *50% more searches* on G

- **HP sets could be the easiest way to grow (and defend) search market share**
  - Searches/User/Week *increase 15%* after hp set to Google
  - S/U/W *decrease ~30%* after hp unset from Google

Google

Default Home Page

- **The first web page to load when a browser starts up**
  - Configurable by user but very few know/care to change it
  - Many stay with pre-configured hp (often set by ISP/OEM/browser)

- **Key strategy question**
  - Does default home page affect the choice of a search engine?
  - If so, by how much?
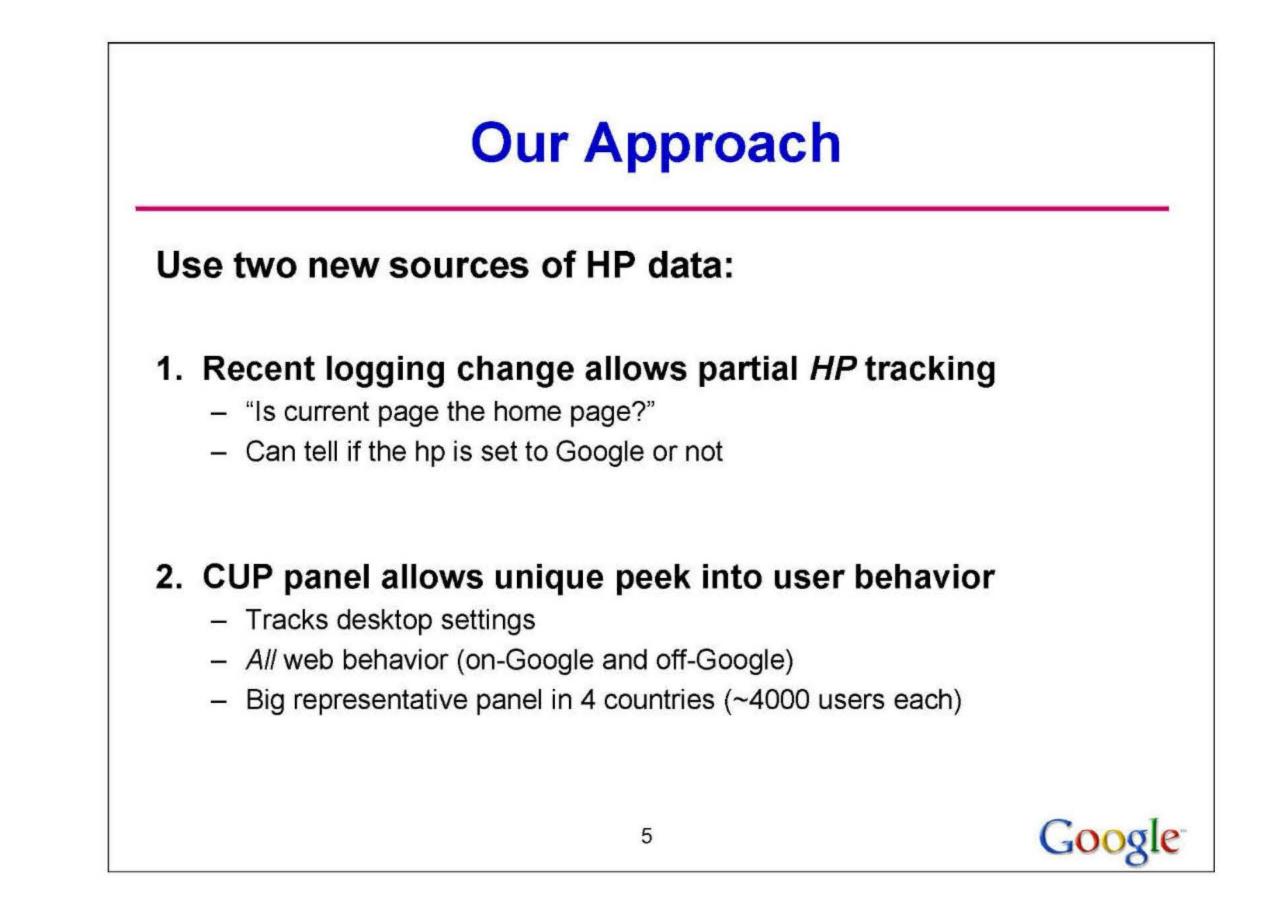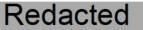
> *A $15B question: but how could we answer it?*

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Google

Our Approach

Use two new sources of HP data:

1. **Recent logging change allows partial *HP* tracking**
   - "Is current page the home page?"
   - Can tell if the hp is set to Google or not

2. **CUP panel allows unique peek into user behavior**
   - Tracks desktop settings
   - *All* web behavior (on-Google and off-Google)
   - Big representative panel in 4 countries (~4000 users each)

Google

HRV: there is inconsistent use between "hp" and "HP".

Default Home Page Share*

- **25% world-wide, strong in EMEA, weak in APAC, NA**

Home Page Share By Region

Source: Google Web Logs

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Strong Correlation With Search Share

- **Almost linear relationship**
  - One point hp share worth 2.6 points of search market share

Search Market Share By Region

Region	HP Share	Search Share
NorthAm	16%	48%
EMEA	30%	87%
LatAm	25%	N/A
APAC	15%	36%
Overall	25%	65%

Sources: Home Page share – Google logs
Search Market share – Comscore

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Google

HRV: I get 2.98 from a simple regression.

Home Page and Search Behavior*
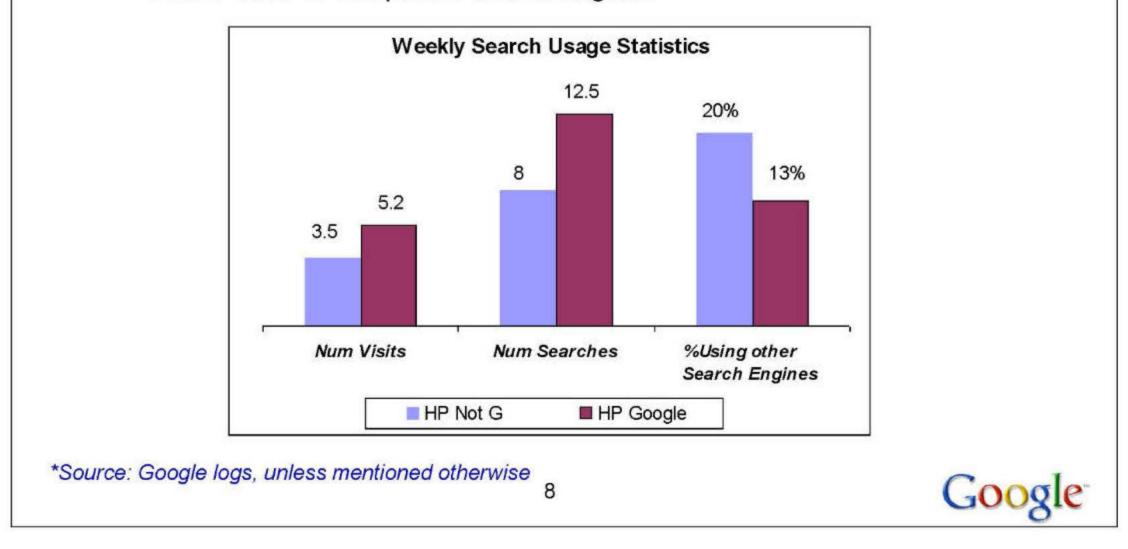
- **Users with Google as home page have:**
  - 50% more search visits, 55% more searches in a week
  - Fewer visits to competitor search engines

Weekly Search Usage Statistics

	Num Visits	Num Searches	%Using other Search Engines
HP Not G	3.5	8	20%
HP Google	5.2	12.5	13%

■ HP Not G ■ HP Google

*Source: Google logs, unless mentioned otherwise

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Google

HRV: how do we know fewer visits to competitors? This is from CUP data, no?

Is HP the Cause or Effect?

- **Compare no. of searches *before* and *after* the hp set**
  - 15% increase in visits and searches after hp set

Weekly Search Usage: Before and After HP set to Google

Very few product changes have moved searches/user by > 2%!

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HRV: this is pretty convincing. How long before and after are you using? 1 week? 2 weeks?

HRV: same question as before --- is this just one week?

HP Strongly Affects Share of Searches

- G gets practically all searches if hp is Google
- Impact stronger for Yahoo (in terms of lift in share)

Search Share for Users With Google as Home Page

Google 91%, Yahoo 5%, MSN 1%, Ask 1%

* N= 220 samples. Error = +/-4%

Search Share for Users With Yahoo as Home Page

Google 33%, Yahoo 60%, MSN 2%, Ask 2%

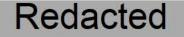* N= 640 samples. Error = +/-4%

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Google

Implications

- **Data suggests that:**
  - Users do not always make an active, deliberate choice of a SE
    - Choice seems influenced by handy access to search box, often determined by the default home page
    - Most users stay with pre-configured home page settings

  - Product quality/brand seems to temper the effect of default hp
    - Google still preferred even if hp is not Google
    - Yahoo, MSN strongly dependent on hp setting for search share

  - Default home page can be a powerful strategic weapon in the Search battle
    - Could be an easy way to grow and defend market share for Google
    - Could be the Achilles heel for Yahoo and MSN
    - Biggest opportunity in APAC and North Am

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Google

So How Much is a Home Page Set Worth?

- – <tentative; slide may need rework>
- **Estimated *incremental* life time value: ~$3 per user**
  - – Value is roughly $6 in US due to higher RPM's
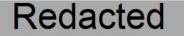
- **Assumptions:**
  - – Avg #searches/user/week = 9.4
  - – Incremental searches/week = 15% of 9.4
  - – Avg RPM = 3 cents
  - – Avg lifetime of HP setting = 71 weeks (1.4% users unset/week)
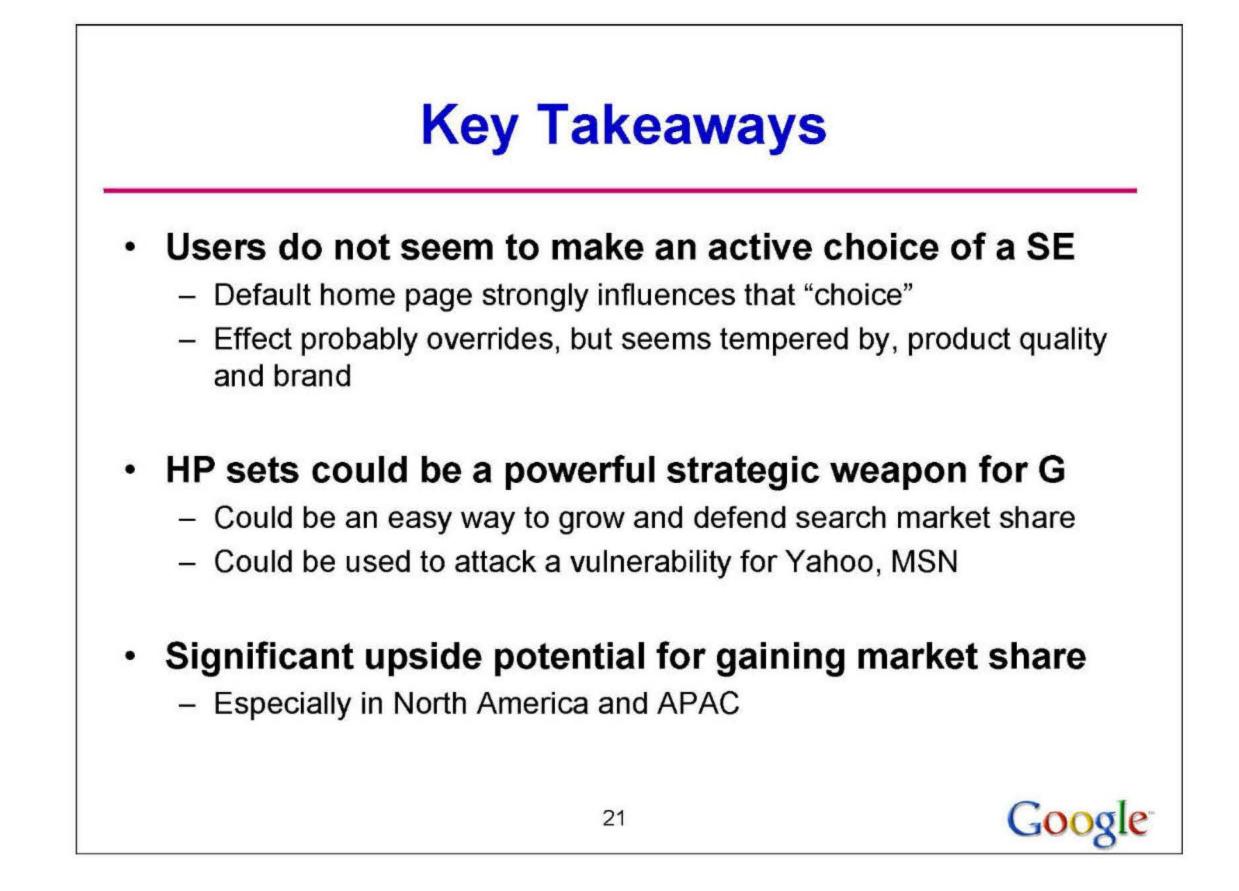 - – Same RPM on the incremental queries

1% increase in HP share can drive $22M in incremental revenue

Google

Key Takeaways

- **Users do not seem to make an active choice of a SE**
  - Default home page strongly influences that "choice"
  - Effect probably overrides, but seems tempered by, product quality and brand

- **HP sets could be a powerful strategic weapon for G**
  - Could be an easy way to grow and defend search market share
  - Could be used to attack a vulnerability for Yahoo, MSN

- **Significant upside potential for gaining market share**
  - Especially in North America and APAC

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Google

HRV: I think that you need to add the toolbar data we discussed. Someone might say "Yeah, but getting them to install toolbar is more important than getting them to set their homepage." But the data you report here suggests that that is not the case --- in fact, by giving Google users a toolbar we make it easier for them to set their homepage to something different from Google. It seems to me that the key point is that getting users to set their homepage to Google is potentially a bigger deal than getting them to install toolbar. I think that the toolbar guys have before-after for toolbar installation. You already have the toolbar info from slide 10.