



Project Charlotte: Exec Update

January 24, 2019

rev-team@

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Ex. No.

UPX0344

1:20-cv-03010-APM

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GOOG-DOJ-25893057

Executive Summary

- We have found **no evidence of short-term negative per-user revenue impact** (or a negative query volume impact or a meaningful shift in query volume of “shoppy” queries away from Google) resulting from a user becoming an online retail loyalty program member or being active on large online retailers.
- In fact, **engagement on large online retailers and querying on G.com are positively correlated** – we have observed that loyalty program members and regular shoppers at large online retailers have higher query volume on G.com, including higher query volume in “shoppy” verticals (including those verticals that large online retailers are known to be very strong in like Computers & Consumer Electronics).
- Naturally these users are subsequently more active on large online retailers’ sites, but our analysis indicates that is **likely incremental to rather than cannibalizing** their activity on G.com – we see no evidence of a change in G.com query volume when users sign up for loyalty membership, and even see some evidence of an increase in expected G.com revenue and engagement when users are active on the retailer’s sites.

Key caveats:

Due to data limitations, analysis only covers last 12 months and impact estimate is measured over a 12-week window. Therefore, long-term impact, seasonality, and trend of impact are not tested in this analysis. More detailed scope/caveats are included in limitations section on Slide 7

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No observed impact on inferred Search Ads revenue over 12 weeks after becoming shopping loyalty member

- No statistically significant impact found on inferred Search Ads revenue or actual query volume following a user signing up for a loyalty membership (such as Amazon Prime)
 - Notably, new loyalty members did query fewer days than expected (1.5 days less in a 12-week period, a statistically significant finding), though this was offset by a slight increase in daily query volume (not significant)
- Zooming in, we continued to find no significant impact on inferred Search Ads revenue regardless of users' pre-loyalty-signup Google engagement, activity levels on retailers' sites, or demographics (age, gender, HHI)

Analysis notes:

- Analysis involved **Confidential**
- Impact on inferred 12-week search revenue, from a user signing up for a loyalty membership (such as Amazon Prime), is statistically indistinguishable from zero (estimated impact = **Confidential**; 95% C.I. = **Confidential**); impact on 12-week query volume from a loyalty membership signup is also statistically indistinguishable from zero (estimated impact = **Confidential**; 95% C.I. = **Confidential**)
- No evidence of a negative impact by 12-week query volume when broken down by top-verticals. For instance, 95% C.I. for 12-week query volume impact within shopping vertical is **Confidential**

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