EDO
Know What Works

Share of Search Predicts Market Share Growth

EDO's new research shows how Search Engagement correlates to Market Share — establishing consumer search as a predictive signal of consumer intent

Marketing's North Star: Monitoring Market Share

Share of Market (SoM) growth is the north star for most brand marketers. Market share growth drives stock prices, bonuses, and job promotions. Especially in an economic downturn, market share defense and growth are obvious goals. But most brands get market share reads infrequently, and they usually struggle to link share growth to the advertising decisions that helped drive it.

Modern marketers need a more readily available metric that mimics market share, but which is granular, timely and reliably responds to day-to-day advertising decisions.

Driven by this need, leading brands have learned that Share of Search (SoS) is one such metric. Share of Search (SoS) is a predictive proxy for Share of Market (SoM), can be measured daily, and has been shown to respond quickly to both brand and product advertising, and even to the subtleties of detailed media and creative elements.

Market Share Closely Correlates to Share of Search

Share of Search (SoS) as a measurement substitute for Share of Market (SoM) has been most heavily advocated and researched by the Institute of Practitioners in Advertising (IPA) group, led by Les Binet, the respected advertising effectiveness researcher in the UK. The IPA group is a volunteer research organization which consists of a who's-who of modern advertising leaders including Google, LinkedIn, Unilever, Kantar, Mediacom, Zenith, and more.

EDO was invited to join the IPA group in early 2021, contributing both data and advanced analytical expertise. In that role, EDO has helped explore the power of search as a day-to-day Share of Market substitute and has advanced the application of search as a signal to measure and optimize TV advertising impact.

The math behind the Share of Search (SoS) metric is fairly simple and equates to total searches for a specific brand, divided by the total searches for all brands in that category.

Our work has reinforced the following key findings of the IPA group:

KEY FINDING #1: Across a wide range of categories, countries, and languages Share of Search correlates closely with a brand's Share of Market. The average correlation is 83%.

30
Case Studies

12
Categories

7
Countries

Share of Search (SoS) = Share of Market (SoM)

Across categories, countries, and languages - with an average correlation of 83%

KEY FINDING #2: Growth in Share of Search leads to growth in Share of Market. Specifically Excess Share of Search - which measures the gap between a brand's SoS and SoM - is a strong predictor of market share growth, a point we illustrate further in this analysis.

How Share of Search Can Predict Market Share Momentum

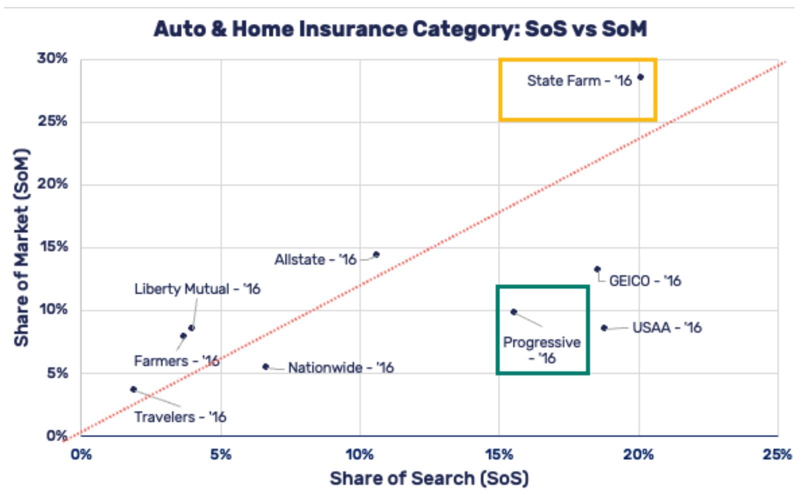
To further examine the relationship of Share of Search to market share, EDO created a database of several major advertising industries - 35 major auto brands, 50 restaurants, eight major insurance brands, multiple popular CPG brands, and more. The data set includes census-level data from 2015 through 2022, consisting of:

- Occurrence data of all national linear TV ad airings
- Minute-by-minute Google search volume for each brand
- Quarterly sales and market share from publicly available reports

Let's walk through a specific example for the US auto and home insurance category to see how this works. In the following charts the Y-Axis, Share of Market, represents the annual share of written insurance premiums and the X-Axis is Share of Search.

Looking at a snapshot in time, we saw that in 2016 State Farm had the highest market share - slightly below 30% - which was higher than the brand's Share of Search percentage.

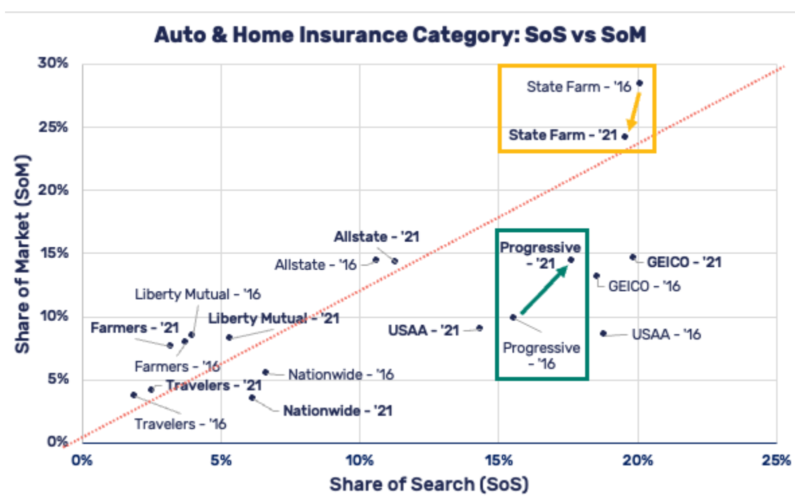
The same year, Progressive was almost the opposite with its Share of Search in excess of its Share of Market – meaning Progressive had higher levels of consumer interest (Share of Search) than the brand's Share of Market percentage.



So, what happened between 2016 and 2021?

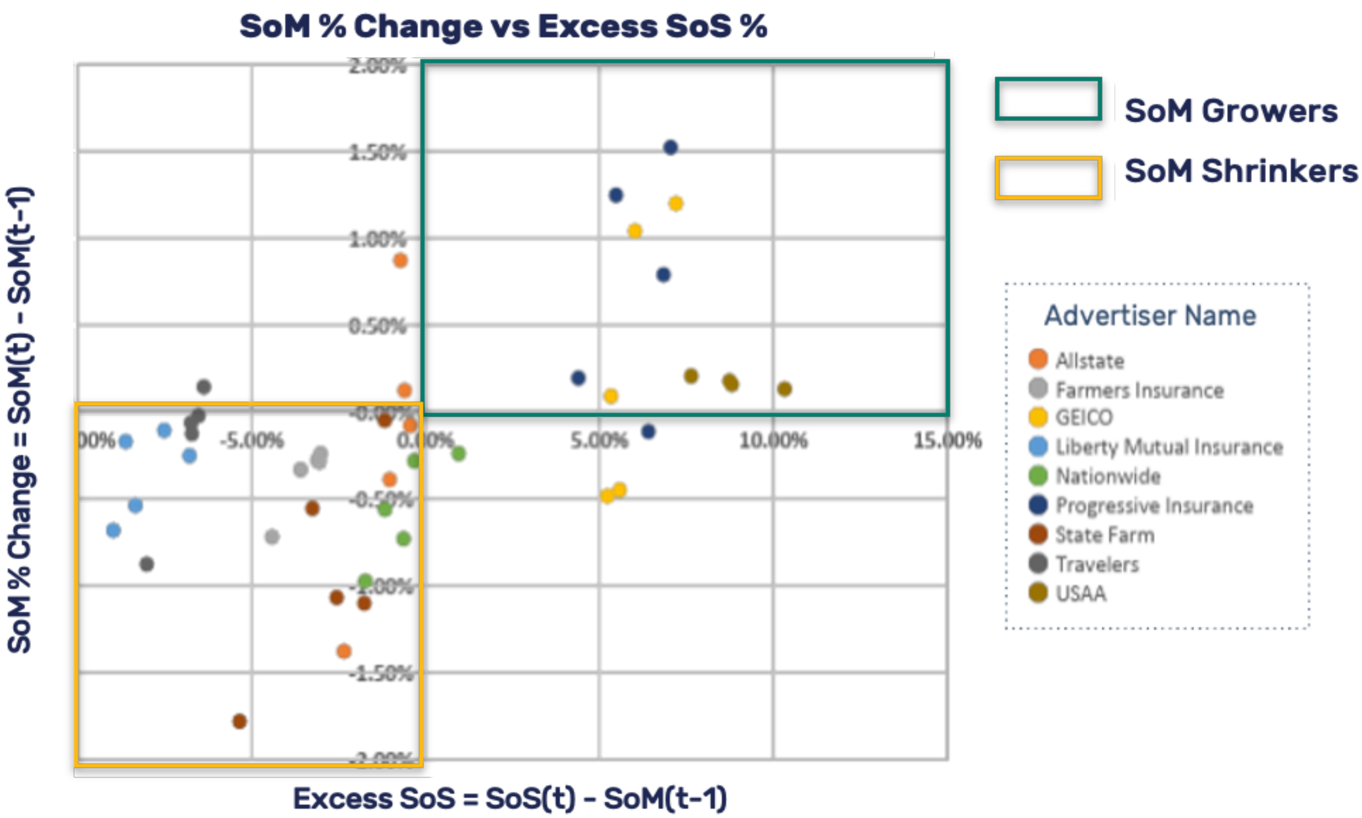
State Farm lost ground in Share of Search and Share of Market, while Progressive grew in both.

So, what is the relationship? If a brand's SoS is larger than its SoM, there is usually growth in market share. The theory is that SoM plays "catch up" with SoS and that SoM growth or shrinkage is predicted by its excess Share of Search.



In fact, across all auto and home insurance brands analyzed from 2016 to 2021, excess Share of Search correctly predicts the market share growth or shrinkage 86% of the time.

Brands whose Share of Search is lower than their Share of Market are getting a strong early warning signal that they are in danger of potential market share loss.



The 1.6 Billion Dollar Question: Does it Matter?

The answer is a resounding yes. For insurance, a 0.5-point market share gain is worth about $1.6 billion in annual premiums. So, if boosting your Share of Search over time can predict your ability to boost Share of Market 86% of the time, then tracking this metric and optimizing your marketing based on this metric can mean more than a billion dollars to you.

What's more, if you're not tracking and optimizing to it, but a key competitor is — then your brand may find itself at serious risk.

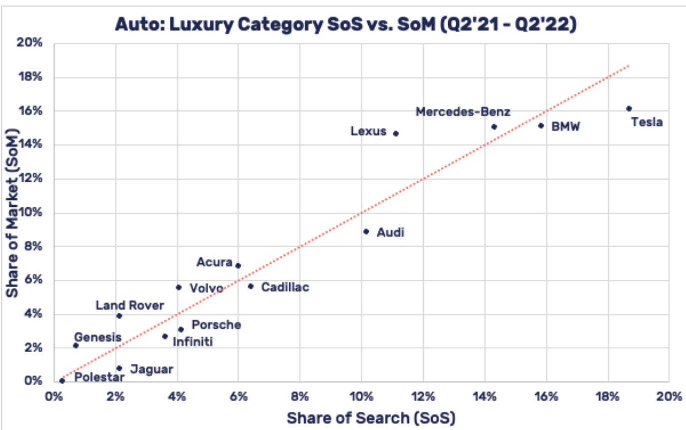
Across multiple industries, Share of Search correlates closely to Share of Market

Below, we share scatter plots that chart the relationship between Share of Search and Share of Market for a range of industries and categories including automotive, restaurants, and CPG.

Across multiple major advertiser categories, EDO's research shows a consistently tight correlation between Share of Search (SoS) and Share of Market (SoM).

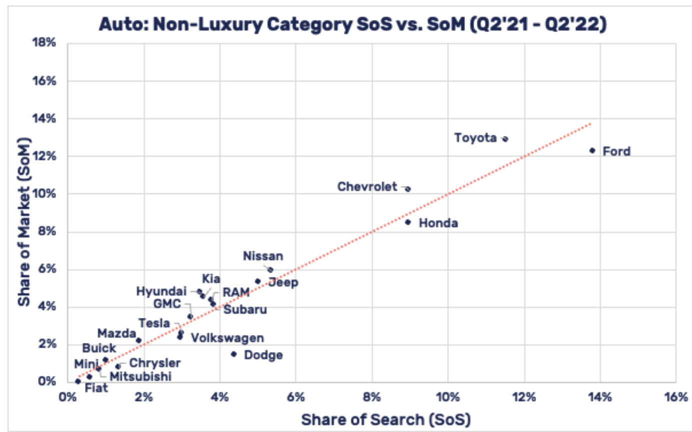
Luxury Auto Category

0.90 Correlation between SoS and SoM



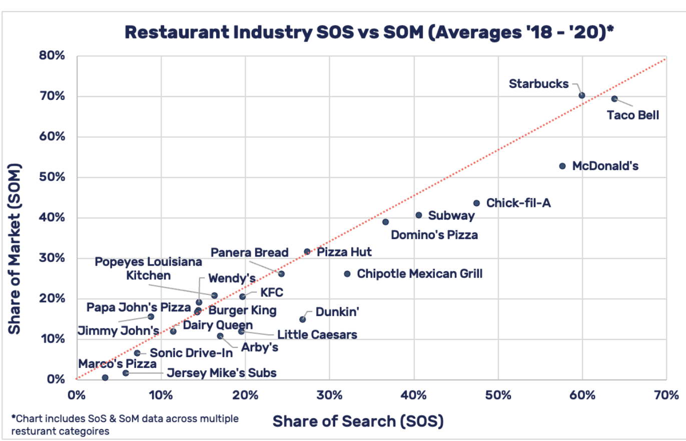
Non-Luxury Auto Category

0.92 Correlation between SoS and SoM



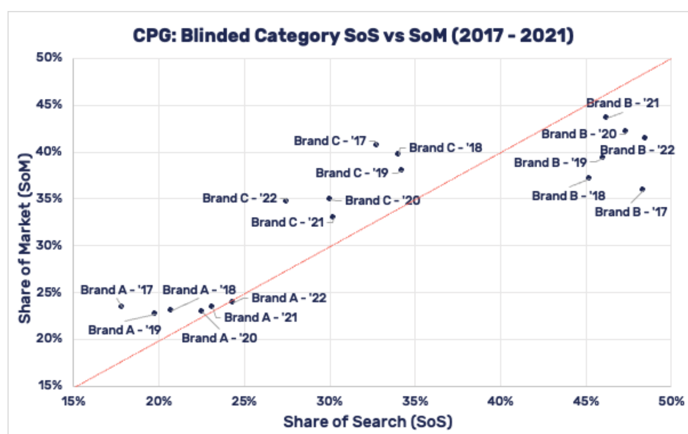
Restaurant Industry

0.96 Correlation between SoS and SoM



CPG Blinded Category

0.85 Correlation between SoS and SoM



The findings from the research are compelling and support the idea that search is a strong signal which consistently leads changes in brand market share.

But what marketers really need is an easy-to-use measurement tool that harnesses the versatile power of the search signal in a pragmatic, day-to-day fashion.

EDO's Search Based TV Ad Efficacy Measurement Solution

EDO has been a pioneer in this space contributing to the IPA research work and innovating in the use of search-based TV ad efficacy metrics to help brands make smarter advertising decisions.

Founded in 2015 by AI entrepreneur Daniel Nadler and media star / tech investor Edward Norton, EDO built a one-of-a-kind ad tech platform. The Ad EnGage platform tracks every national TV ad airing in the US and links it in real time to its incremental impact on branded search volume.

So the question becomes: does TV advertising drive search engagement? Quite simply, YES.

When consumers are interested in what's being advertised, they search for it. When they search for it, that interest can predict sales.

Here's a good example of how TV advertising can impact search.

One recent Monday evening, at 8:30pm, online searches for Burger King spiked dramatically. At 9:50pm, it happened again. And then for the third time, the same spike occurred at 10:30pm.

What could have triggered these big, unmistakable spikes in searches for Burger King during those exact instances? The answer is quite simple — TV commercials.

At 8:30pm, 9:50pm, and 10:30pm, Burger King aired ads promoting a new chicken sandwich deal during popular prime-time programs. Even more notable was that the spike in the online searches for Burger King happened within seconds of each ad airing.

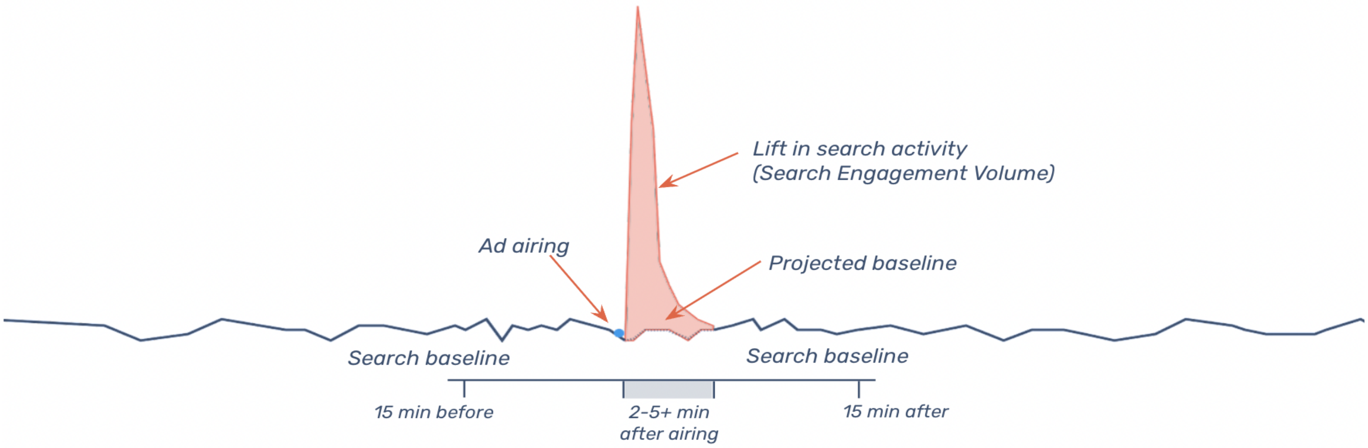
This scenario is not just true for Burger King. It's true for every product category that runs TV advertising, whether your brand is Charmin, Budweiser, Papa John's pizza, or even pharmaceuticals like Humira.

> ***"When we see an increase in search, we see an increase in sales."***
>
> *Marc Pritchard*
> *Procter & Gamble*
> *Chief Brand Officer*

Strong TV advertising drives strong spikes in search.

People may ask if the increase in search activity following the ad airing could be a coincidence. It's not. Search data is an honest behavioral signal of consumer intent and interest. Since today's "always-on" consumers tend to search for items they see in TV ads - especially when it intrigues or engages them - search activity is a strong predictive indicator of purchase intent, a key moment in the consumer purchase cycle.

The Search Spike: Monitoring Real-time Engagement



EDO uses search to measure the immediate consumer behavior provoked by TV ads.

What are EDO's Search Engagement metrics?

EDO's core proprietary metric is Search Engagement Volume (SEV), which measures the incremental lift in consumer online search for a brand and product in the minutes after an advertiser's TV ad airs. In the illustration above, SEV is the incremental spike in search above the search baseline.

In order to make fair media and creative comparisons, EDO clients use Search Engagement Rate (SER), which normalizes SEV, controlling for impressions and ad duration. This enables an apples-to-apples comparison of performance across networks, programs, dayparts, and creative.

Finally, EDO clients have found that Share of Search Engagement Volume (SoSEV) is a key driver of a brand's growth, as we'll illustrate next.

EDO Uses Search Engagement Data To Unlock Valuable TV Ad Effectiveness Insights

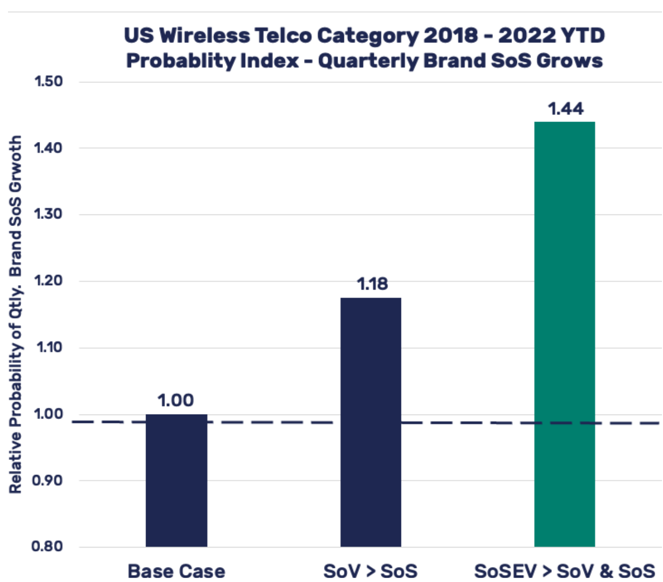
EDO's insights on TV ad efficiency and performance are enabled by our massive data set, comprising all national linear TV ads and their incremental impact on search for the past eight years.

EDO's Linear Ad Database (2015 to date)

Categories: 189
Brands: 2,000+
Products: 12,000+
Creatives: 395,000+
Airings: 126 MILLION
Impressions: 55 TRILLION

By exploring this massive database across brands, categories, networks, programs, and creatives, we have found:

1. Growth can be "bought" with media weight. Our data shows that when Share of Voice (SoV) exceeds Share of Search (SoS) this generally leads to growth.
2. But growth can be inefficient without continuous, smart, data driven TV ad decision making. Enter EDO's search based ad efficacy metrics.
3. Growth is amplified at any level of spend when a brand's Share of Search Engagement (SoSEV) exceeds its SoV. The brand is literally "punching above its media weight".
4. When a brand's SoSEV exceeds both its SoS and SoV, growth is super-charged. The chart on the right illustrates the results from a simulation EDO performed for the wireless telco category. The results show that if a brand in this category has SoSEV that exceeds both its SoS and SoV in a quarter, it increases the probability of positive quarterly Share of Search (SoS) growth by about 45%. As a result, EDO's focus is on driving efficient gains in SoSEV.
5. We always find multiple routes to efficient SoSEV gains, including reach-frequency balance, TV media mix adjustments, and creative efficacy improvements.



Want more Industry Intel, Success Stories, and Top Ads? ***edo.com***

With EDO, Brands Can Know What Works

While reading this research, savvy, modern marketers likely ask themselves, "what about my brand? How can I drive efficient search engagement gains for my brand?"

Brands working with EDO receive daily insights into how to intelligently optimize their TV investments to increase search engagement, realize cost efficient growth in their brand's Share of Search, and ultimately drive market share. Brands - big and small - rely on our data-driven insights and media analytics support to drive smarter advertising decisions including, but not limited to:

- Creative Rotation & Message-Type Optimization
- Media Mix (E.G., Network, Daypart, Program)
- Seasonal Allocations
- Balancing Reach and Frequency
- Advanced Audience Targeting For Non-Linear TV
- Regional Growth Opportunities / Geo-Targeting

EDO offers a fully syndicated subscription service — covering ALL national linear TV advertisers historically from Jan 2015 going forward — inclusive of TV ad performance insight for competitive brands in all industries. EDO's platform is always on and available immediately — from the moment you get started. Your past TV airing and performance data already exists within EDO's knowledge base, so you'll receive actionable insight and real business intelligence on day one.

By contrast, traditional, bespoke ad measurement solutions — relying on MMM (Market Mix Modeling) and MTA (Multi Touch Attribution) solutions typically have lengthy set up times, heavy IT data integration needs, and the constant privacy risks present when working with consumer data (PII).

Ready to get started?

Want to replicate this analysis for your business and start improving your TV performance? Shoot us a note to schedule your free consultation: **research@edo.com**.