Predicting the Present

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Hal Varian, Google's in-house economist, teaches us how to extract marketing insights from Google searches.

I recently asked a group of Googlers which day of the week had the most Google searches for the word 'hangover.' Most of them chose Sunday or Monday, although one party animal opted for Tuesday.

We can find the definitive answer – Sunday – by using a nifty tool called Google Insights for Search. This tool can be used to examine individual queries, but it can also compare search volumes for different queries. For example, searches for 'vodka' peak every Saturday, one day before the 'hangover' peak.

The exception to this regular weekly pattern occurs once a year, on New Year's Eve.

Searchblog's John Battelle has called Google 'the database of intentions,' because search queries provide insights into people's interests, intentions, and future actions. Needless to say, such insights can be very useful to businesses. Free tools like Google Correlate and Google Insights for Search enable you to use that database of intentions to 'predict the present' and better understand your customers' behavior in real time.

For example, if you type 'weight loss' into Google Correlate you find 'healthy smoothie' and 'meal replacement.' Not too surprising. But you also see terms like 'vacation destination,' 'cruises to,' and 'wedding checklist.' And if you look at the searches that occur three weeks after the 'weight loss' query, you see 'weight loss plateau' and 'not losing weight' at the top of the list.

Using the publicly available tools mentioned above, we've uncovered a number of interesting relationships. Here are some examples ➡
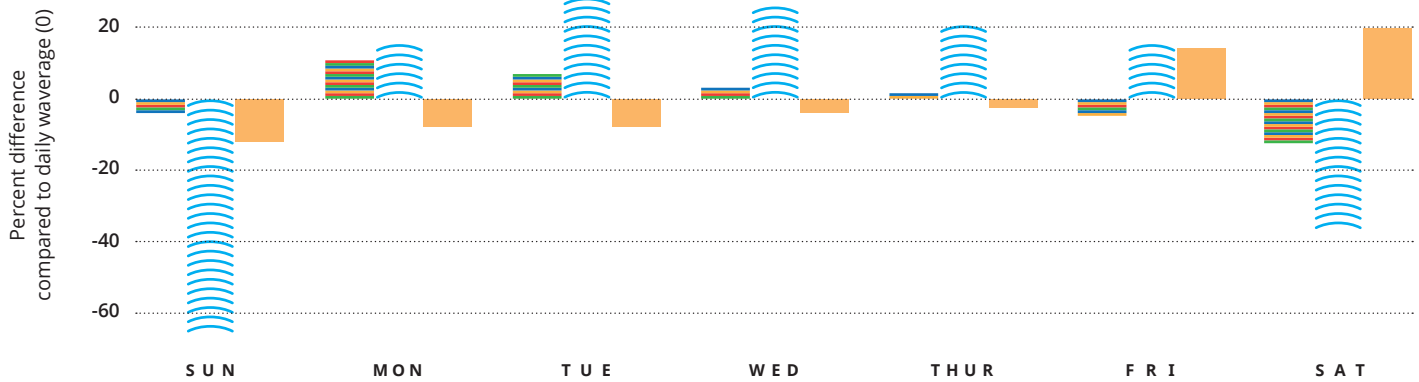
MON

BACK AT THEIR DESKS, PEOPLE ARE CLICKING ON THE MOST ADWORDS ADS ON MONDAYS.

TUE/WED

ONLINE PURCHASES PEAK SHORTLY AFTER.

FRI/SAT

PEOPLE HEAD TO STORES ON THE WEEKENDS. SMART RETAILERS HAVE USED AD CLICKS AS A GAUGE OF THEIR INTEREST AND ACTED ACCORDINGLY.

Percent difference compared to daily waverage (0)

20

0

-20

-40

-60

SUN MON TUE WED THUR FRI SAT

Google Ads Clicks

Online Purchases

Offline Purchases

RETAIL

When do ads take effect? By comparing Google AdWords data and MasterCard SpendingPulse data, we can see that people click on ads the most on Mondays. Online spending follows quickly – but not immediately – with online commerce peaking a day or two later. Offline spending patterns have a greater lag, trailing by one week.

Fifteen percent of daily global Google search queries are ones that Google has never seen before.[10]
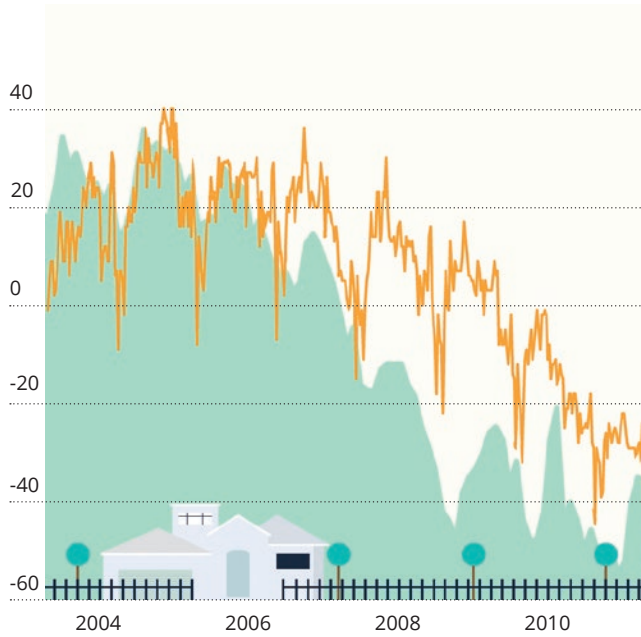
"*...search queries provide insights into people's interests, intentions, and future actions.*"
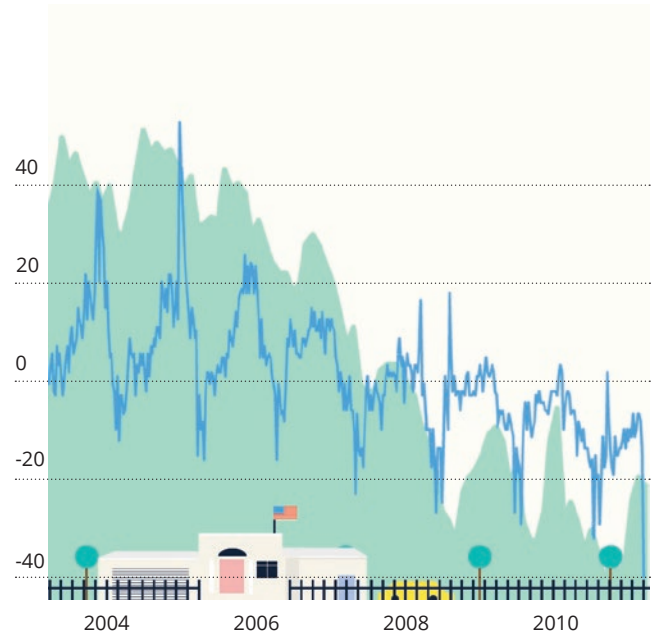
REAL ESTATE

Reading the real estate market with Google Trends: As foreclosures started to rise and median house prices dropped, search queries in the real estate category were correlated to the number of new homes sold in the US.
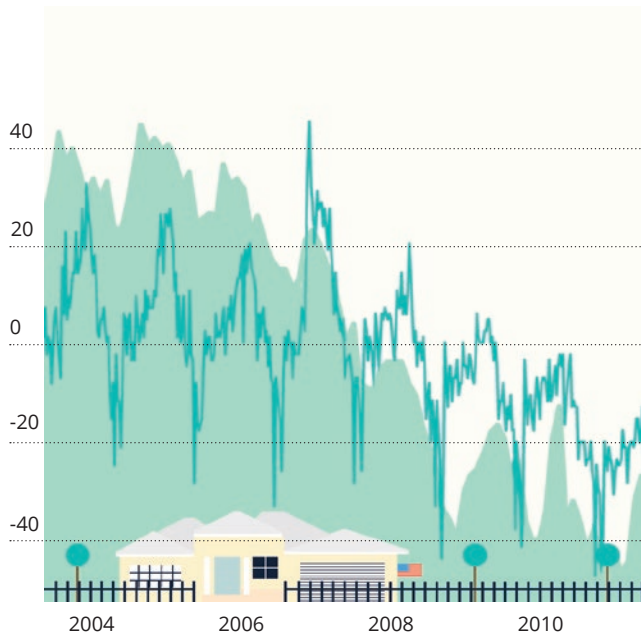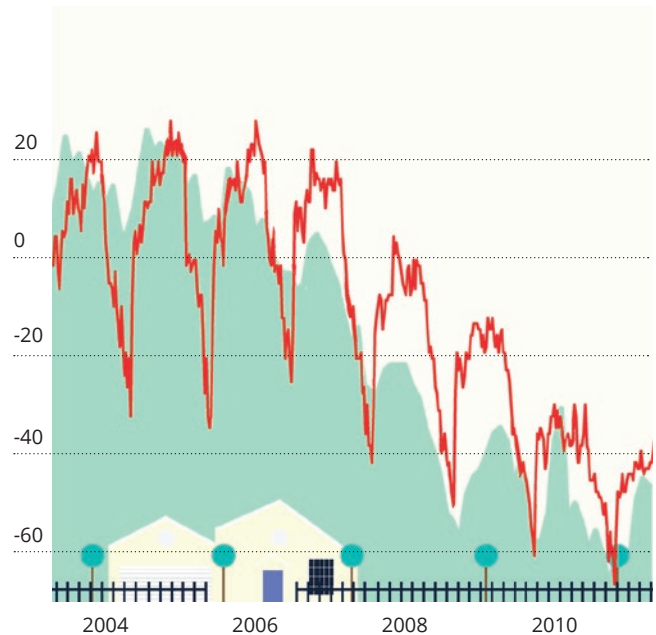
● **US CENSUS DATA** ●●●● **SEARCH QUERIES**

NEW HOMES SOLD vs
SEARCHES FOR 'HOME INSPECTIONS AND APPRAISALS'

NEW HOMES SOLD vs
SEARCHES FOR 'HOME INSURANCE'

NEW HOMES SOLD vs
SEARCHES FOR 'PROPERTY MANAGEMENT'

NEW HOMES SOLD vs
SEARCHES FOR 'REAL ESTATE AGENCIES'