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# E-commerce and social are taking over as the key search engines in China

CONSUMER

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Search engines used to provide an entry point to the purchase journey for most consumers. But, as Christian Solomon explains, that's all changing in China, where more and more and people are using e-commerce and social platforms to find what they need.

For most people, jumping onto a search engine to search for a product or brand has been the usual behaviour for many years. Where to buy the product for the best price, where to find the product, what are the product reviews, how does the product compare to others...

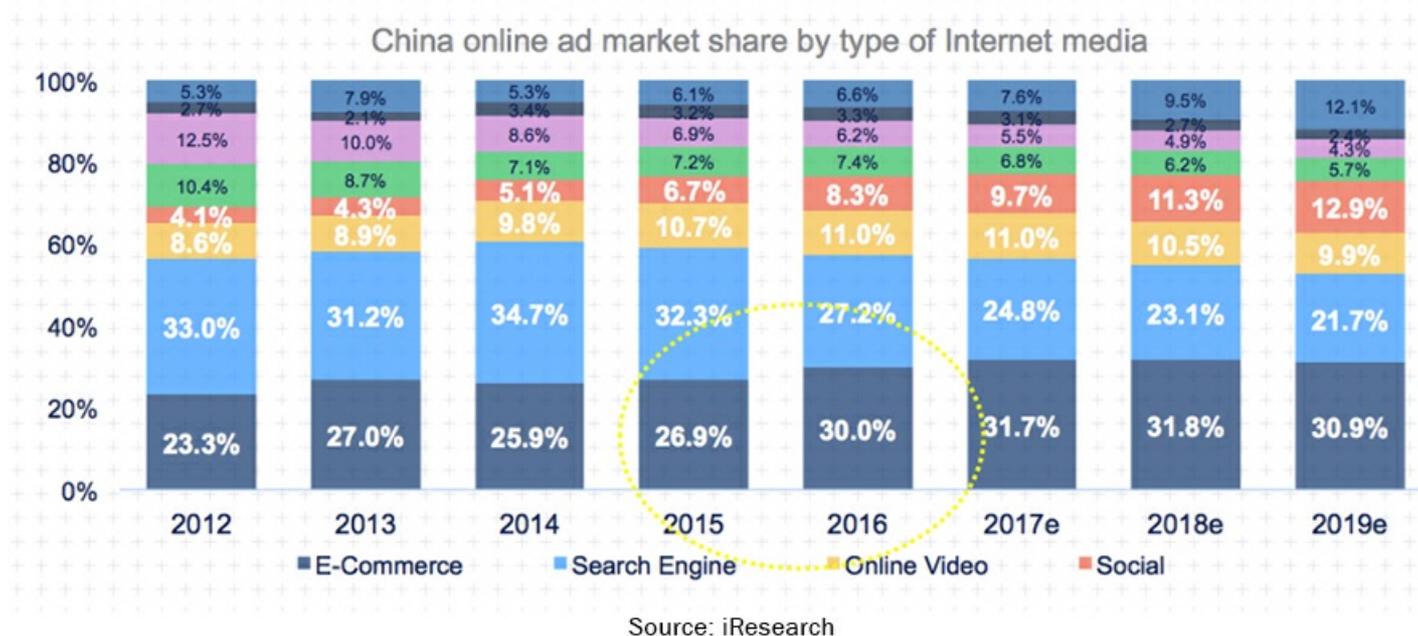
These are all commonly searched questions when considering or finding out more about a product on a search engine. They have been for many years since Google really kicked off back in the early 2000s globally, and since Baidu followed and took control of the China

market.

Well, in China that behaviour has finally changed.

No longer are consumers going only to Baidu as their central point for product information. Consumers are now going directly to e-commerce, social media and verticals, bypassing search engines altogether and shortening, even more, the path to purchase.

In China, e-commerce has been the key driver of this change. The rapid growth of Alibaba and Tencent's Jing Dong has led to both of those platforms being used on a daily basis for most people in the country. Each of these platforms provides easy-to-use search platforms that allow users to search for the products they need, find reviews and compare them to other products on the market. A fast-growing search listing ad market is sitting behind this, offering all the same features, and more, that the search engines in the market could offer.



In recent years we have seen the ad market spending trend decline significantly in search engine marketing and move towards social and e-commerce. With search engine share declining from 33% in 2012 to 25% in 2017. E-commerce share has increased from 23% in 2012 to 32% in 2017. Social is also seeing a significant increase, from 4.1% in 2012 to 10% in 2017, according to iResearch data.

Comparing the big three in China, the BAT (Baidu, Alibaba and Tencent), there is a stark difference in their growth over recent time.

At the time of writing this, the market cap of Alibaba was US\$471b, Tencent US\$553b, and Baidu lagging at US\$88b.

When you compare the three platforms; Baidu has the largest search engine in the market, but no social or e-commerce platform. Both Alibaba and Tencent have large social and e-commerce platforms.

Alibaba has e-commerce as its core business and invested into Sina Weibo, Chinas second largest social platform. Whereas Tencent began with social across QQ, then onto WeChat and is investing into e-commerce by purchasing Jing Dong, Chinas second largest e-commerce platform, behind Alibaba.

It is quite easy to see that both Alibaba and Tencent have positioned themselves for success in the two largest growing spaces, social and e-commerce, and now they are offering high functioning and easy to use search platforms native in their platforms, [the risk for Baidu intensifies](#).

In a recent controlled study conducted by MediaCom for one of our major clients in the China market, we found for a specific set of product keywords their search volume had increased from 200-300% over 2017, while on search engine it had remained flat, showing no growth.

2017 was also the year where the two of the largest social media platforms in China, Sina Weibo and Tencent's WeChat, launched their search platforms. Both platforms allow users to enter a search query and receive a detailed listing of algorithmically ranked results. Just like the traditional search engine, these social results allow brands to purchase keywords and improve their organic ranking.

WeChat is Chinas largest social platform with more than 900million monthly active users. Given their scale and ability to commercialise their products with massive effect, their

search platform was awaited in the market with eager anticipation. Since the official launch in January 2018, many brands have launched their WeChat search approach, including Cartier, one of MediaCom China's clients.

Given the onset of these new native search functions, consumers can now easily go on their e-commerce app, Weibo or WeChat, and search directly for products, brands, celebrities, travel, and lifestyle. It cuts out the need for them to start with a search engine.

With this in mind, MediaCom ran a study to see the types of keywords that people are searching on e-commerce and Social. We found that on e-commerce, in particular, these searches are very product-driven, including reviews and product comparisons. On social we found the keywords to be brand, product and celebrity-driven. People were searching for their favourite celebrities and including some brand or product keywords that they are the brand ambassadors for.

These insights led us to develop a framework for managing search across multiple channels; search engine, e-commerce and social. The implications from this help to better plan what content is developed on each platform, given the type of content people are searching for, what the budget split should be and how each channel should be used given the role it plays in a consumer's day of search. This framework we call, 'System Search'.

Globally, the trend is also now starting to be seen with the increasing growth of Amazon.

Sir Martin Sorrel, the CEO of WPP, recently presented on the topic at Citi's TMT West Conference in Las Vegas, where he outlined that the potentially disruptive influence of Amazon on the ad market may be a surprise in 2018. He argued Amazon could significantly disrupt the search business and cited a recent study from Kantar, where 65% of product searches in the US now take place on Amazon.

Globally Google has a stronger position in the market than Baidu does in China, and Amazon has been following the progression of the big e-commerce players growth and innovation in China. This is possibly why the progression of the decline in the search engine

category has been more pronounced in China and less clear in other markets.

However, perhaps what has happened in China is a sign of things to come for Google and Amazon across the globe.

*This article was first published by [The Drum](#)*

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