Executive Summary

The search environment continues to evolve, as Amazon now overtakes Google in shares of on-platform product searches\(^1\) and continues to improve its presence in Google search engine results pages (SERPs). This year Google outlined further changes to the platform that aim to push more down-funnel behavior, like deep linking a retailer’s paid results so they redirect users to the relevant page in the brand’s app if it is downloaded on the user’s device. While incumbents continue to remain successful on Google and there has been little movement in organic search visibility for leading department stores, categories like toys and baby are white spaces for new entrants and any retailer willing to pay. Traditional department stores must invest in paid listings in their most important categories, which include white spaces that have less competitive terms, to ensure efficient resource allocation.

\(^1\) “The Competitive State of eCommerce Marketplaces Data Report,” Jumpshot.

Key Findings

- Organic search positioning is static and hard to win on Google, with incumbents like Macy’s and Amazon holding fast to the top search result positions.
- Showcase Shopping ads have surged in visibility on mobile within the last year, with the shoes category surfacing the most.
- Multicategory retailers like Kohl’s and Walmart supplemented their lagging organic search visibility in the toys and baby categories with investments in Showcase Shopping ads to move into the white space left by Toys “R” Us closures.

Key Recommendations

- Optimize category pages and editorial content with high-volume search terms and shoppable complete-the-look products to boost organic search visibility over time.
- Retailers should invest in Showcase Shopping ads, as they can help drive top-of-page visibility in the near-term within competitive categories (e.g., shoes) and against branded vendor keywords (e.g., “gucci”), where retailers lack organic search visibility.
- By understanding what keywords are most often used by shoppers to discover new products, retailers interested in white spaces like toys and baby can optimize product titles, category pages and Showcase Shopping ads for maximum visibility.

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Gartner L2 research is based on data-driven analysis. Our findings, rankings and recommendations are objective, unbiased and independent of membership.

Department Stores: Share of Organic Listings Across All Category Keywords on Google

June 2018 vs. June 2019

<table>
<thead>
<tr>
<th></th>
<th>Amazon</th>
<th>Macy’s</th>
<th>Nordstrom</th>
<th>Target</th>
<th>Zappos.com</th>
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<tr>
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<td>2%</td>
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<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>2019</td>
<td>4%</td>
<td>6%</td>
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</tbody>
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n = 1,760 Nonbranded Keywords

Source: Gartner L2 Digital IQ Index: Department Stores 2019.
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