

Google Wants a Piece of the Ecommerce Marketplace

ARTICLE |

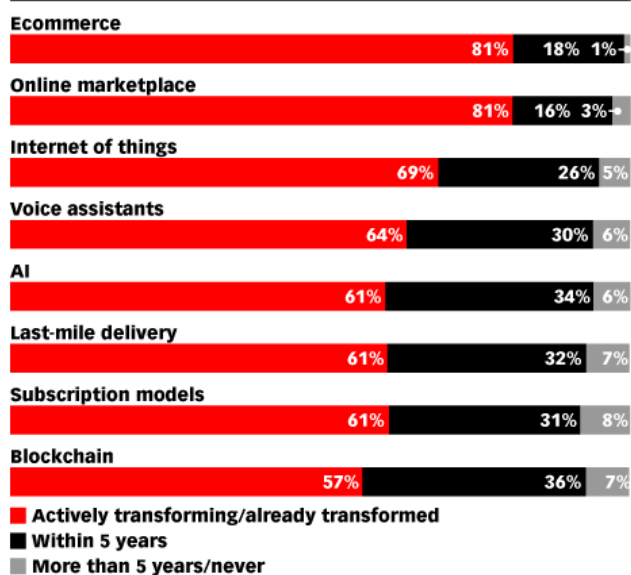
Blake Droesch

Google's redesigned version of Google Shopping brings its online marketplace center stage. But can the new platform—which merges Google Shopping with the company's existing retail marketplace, Google Express—compete with the likes of Walmart, eBay and Amazon?

The online marketplace model—where products and services are sold by multiple third parties through a single ecommerce entity—has become a disruptive force in the consumer goods industry. According to a February 2019 survey conducted by Salesforce, 81% of consumer goods professionals worldwide believe that online marketplaces have transformed how consumers connect with products.

Technologies/Trends that Consumer Goods Professionals Worldwide Believe Will Transform How Consumers Connect with Products* in the Future, by Timeframe, Feb 2019

% of respondents in each group



Note: numbers may not add up to 100% due to rounding; *consumer products

Source: Salesforce, "Consumer Goods and the Battle for B2B and B2C Relationships," May 21, 2019

247642

www.eMarketer.com

But the US online marketplace is already dominated by Amazon, which will surpass \$129 billion in marketplace sales this year, or more than 20% of all US retail ecommerce sales. As the Amazon marketplace grows, its advertising offerings are also expanding, contributing to its increasing share of the US digital ad market dominated by the Facebook-Google duopoly.

On the Google Shopping platform, consumers will be able to add items to a universal shopping cart across Google Search, Images and YouTube —and then seamlessly check out using a Google account. At the same time, Google has introduced Discovery ads, which expands its ad offerings across these same channels.

It makes sense for Google to bolster its marketplace to grab a piece of the bustling ecommerce market and keep its ad offerings competitive. Amazon has been successful with retail media because brands value ad space in places where customers are in the shopping mindset.

While Google has some clout in this space, it's not nearly as powerful as Amazon, according to a January 2019 survey conducted by

ecommerce platform Salsify. While 78% of US digital shoppers consider Amazon their favorite place to buy and shop, just 26% said the same about Google or another search engine.

US Digital Shoppers* Favorite Ways to Buy/Shop Today vs. Where They Would Like to Buy/Shop More From in the Future, Jan 2019

% of respondents

	Favorite ways to buy/shop today	Where they would like to buy/shop more from in the future
Amazon	78%	56%
In-store	47%	42%
Google or a search engine	26%	18%
Brand websites	22%	25%
Walmart.com	21%	20%
Target.com	15%	19%
Another online retailer	14%	17%
Social Media	4%	5%
Connected devices in your home (e.g., TVs)	3%	6%
Voice (e.g., Amazon Alexa)	2%	6%

*Note: ages 18+; *digital shoppers made an online purchase in 2018
Source: Salsify, "2019 Consumer Research: 5 New Rules to Tackle Shoppers' Rising Expectations on Your Brand," March 4, 2019*

246298

www.eMarketer.com

Google has made several forays into the ecommerce and delivery sector, but none of its shopping iterations have succeeded. According to Joe Kaziukenas, founder and CEO of [Marketplace Pulse](#), Google has been unsuccessful because of poor branding, but consolidating its existing ecommerce platforms — Shopping and Express — could be a step in the right direction.

“Google has been trying to put out shopping for a very long time, and like many things Google does, it has launched competing products with different brand names which ultimately confuses consumers,” Kaziukenas said. “We'll see if these more recent shopping sites from Google actually amount to something. It's a good stepping stone, but there's a lot more work to be done before Google becomes a competitor to Amazon or anyone else.”