

Google Dominates US Search, but Amazon Is Closing the Gap

Amazon's share will grow while others' shrink

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eMarketer Editors

The growing US search ad market is dominated by Google. But Amazon and smaller players have the ad giant in their crosshairs. According to our latest US ad spending forecast, Google's share of search ad revenues will drop, while that of Amazon will grow over the next two years.

The US search ad market overall will grow nearly 18% this year to reach \$55.17 billion. Google will obtain a 73.1% share, translating to \$40.33 billion. But, while Google will remain the dominant player for the next several years, its share is dropping. By 2021, it will capture 70.5% of the market.

Top 5 Companies in the US, Ranked by Search Ad Revenue Share, 2019

% of total

1. Google	73.1%
2. Amazon	12.9%
3. Microsoft	6.5%
4. Verizon Media	2.0%
5. Yelp	1.8%

Note: total search ad spending in 2019=\$55.17 billion; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes contextual text links, paid inclusion, paid listings (paid search) and SEO; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites

Source: eMarketer, October 2019

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Polling suggests that most product searches now begin on Amazon, causing the No. 2 search player to grow rapidly and steal share from its larger rival (though it is much smaller in comparison). In 2019, Amazon's search business will grow nearly 30% over last year, boosting net search revenues to \$7.09 billion. Its share will be 12.9% this year, growing to 15.9% by 2021. In fact, Amazon is the only company we break out whose share will grow over the next several years. (Amazon surpassed Microsoft in 2018 to become the second-largest ad platform for search in the US.)

"Amazon's ad business has attracted massive increases in spending because advertisers can reach consumers during product queries, a time when they're ready to buy," eMarketer principal analyst Nicole Perrin said. "Amazon has also rolled out better measurement and targeting tools, making it even more attractive for advertisers."

While we do not break out Walmart, Target, eBay or Pinterest, they are included in the "other" category. We know that their respective search shares are increasing, at the expense of Google's as well as those of Microsoft, Verizon Media, Yelp and IAC, though they will be affected to a lesser extent.

