State of Search and Discovery

Contents

Why read this report?

2020 put search into overdrive.

People are increasingly turning to online channels to find answers, solutions, products, ideas. Investment in site search is a critical part of a successful strategy to meet the moment.

For many organizations, the question isn't why — it's how. **How do you achieve site search success, and where do you invest for great results?**

We surveyed decision makers across the United States and Europe to find answers to these questions and uncover what drives success in site search and discovery.

This report covers:

- How to get value from search and discovery
- The factors that go into successful site search
- How and where to invest in people, functionality, and features
- The pros and cons of buying and building search

Let's dig in.

Key findings

- Investments in site search are high and getting higher.

- A quality site search experience for both users and employees drives financial success.

- Great search is not an IT project: financial success requires a cross-functional team.

- It takes time to get results. Investing in search is a multiyear project.

- Investing in more features and bigger teams doesn't always lead to financial success.

- Investing in search should be paired with investment in capabilities for product and content discovery.

- In-house search gets to average success, but getting to great can be difficult.

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Defining quality and success

Survey respondents evaluated their site search on a variety of internal and external dimensions.

Here is what stood out.

Defining quality of search

The survey revealed **3 major factors in the quality of search.**

The first two are focused on external users, while the third factor is focused on employees or internal users:

- **Easy to find, quick results:** users can easily locate the search bar, site search is fast and easy to use

- **Relevant and organized results:** search results are highly relevant, as well as categorized, customized, or otherwise organized

- **Easy to optimize:** digital teams, merchandisers, and other business people can easily control site search with minimal reliance on developers/IT

These three factors were evenly weighted and combined to create a single overall measure of the quality of an organization's site search.

Internal user focused

Easy to optimize

Fast
+
Easy

Relevant
+
Organized

External user focused
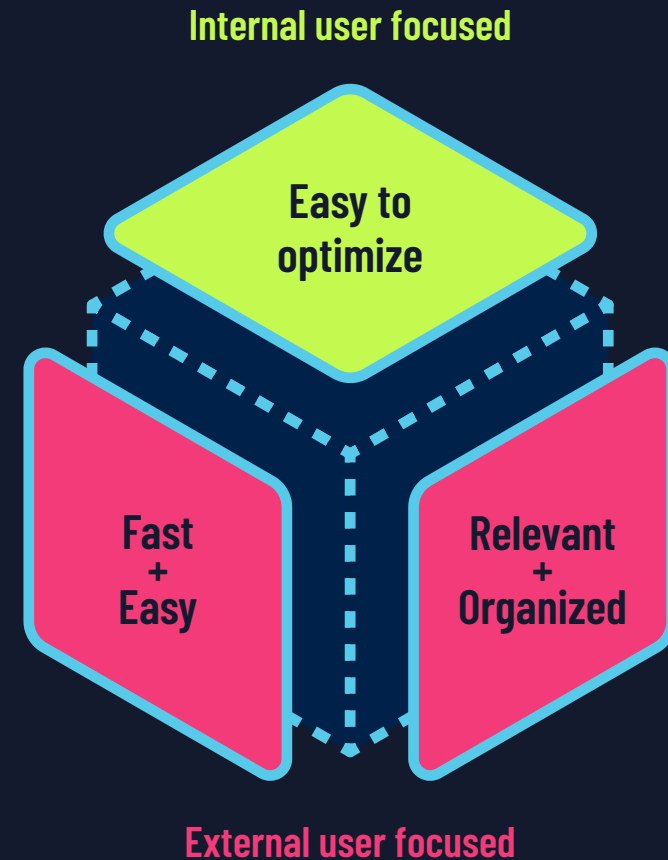
Defining search success

Respondents were asked to evaluate both the ROI and the net revenue impact of site search improvements.

Those variables were then combined to create the composite variable for overall financial **success of site search**.

Respondents' levels of success are shown on the right.

**ROI
of site search**

**Net revenue
impact
of site search**

Reported levels of site search success

**High
success** — **26%**

**Average
success** — **44%**

**Low
success** — **30%**
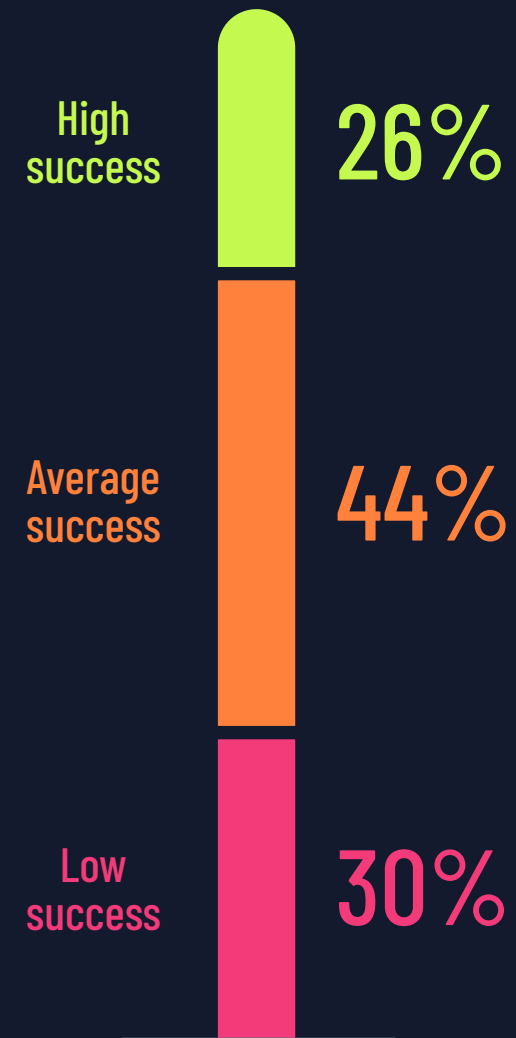
What drives financial success of site search?

We know that online giants see search and discovery as critical for driving the business.

But how can the rest of us get similar results?
And how do you qualify what moves the needle?

# Good site search delivers financial payoff

Investments in site search are high and getting higher: 59% of respondents reported that they increased site search investment in the past year, and **79% expect their site search investment to increase in the next 12 months.**

And no wonder. Across the board, companies are seeing high levels of satisfaction and significant financial success with site search:

- 89% of respondents are either very satisfied or satisfied with the ROI from site search.

- Companies who report high levels of site search success are **2.7x more likely to experience above-average growth rates.**

- Increased investment in site search directly corresponds to financial success.

Change in site search investment:
Last 12 months vs. next 12 months

■ Decrease   ■ No change   ■ Increase

Last 12 months	9%	31%	59%
Next 12 months		16%	79%
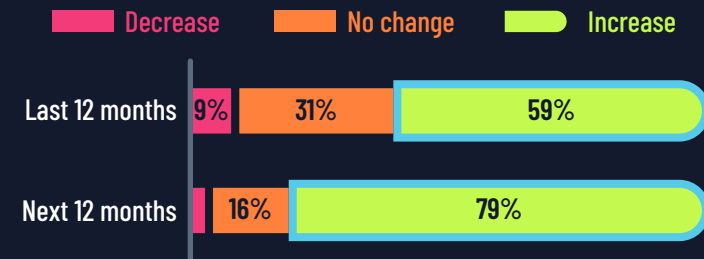
Impact of search success on growth rates:
Companies with above-average growth rates

2.7x

Low success	Average success	High success
15%	19%	40%

Impact of site search quality on success

■ Low success   ■ Average success   ■ High success

4.6x

Low quality	Average quality	High quality
12%	29%	55%
42%	47%	34%
46%	23%	11%

Low quality ★
Average quality ★★
High quality ★★★
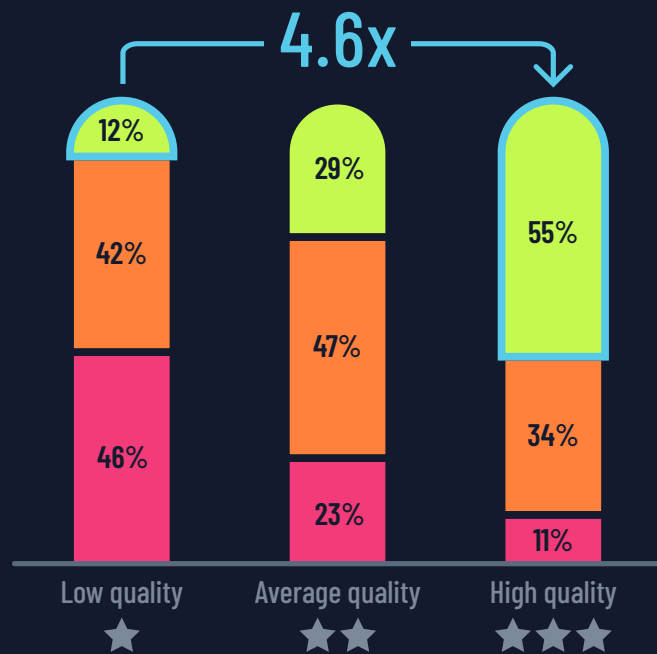
What drives financial success?

The short answer is: **quality of search**.

Organizations that reported high quality of site search see more than **4x the rate of high financial success of search**.

Success is driven by creating high-quality search experiences for both internal and external users:

- **For end users,** a fast, easy-to-navigate experience, with relevant and organized results

- **For organizations' internal teams** — namely, non-engineering teams — the ability to adjust search with minimal reliance on developers/IT, with easy-to-use tools that enable them to analyze and optimize site search

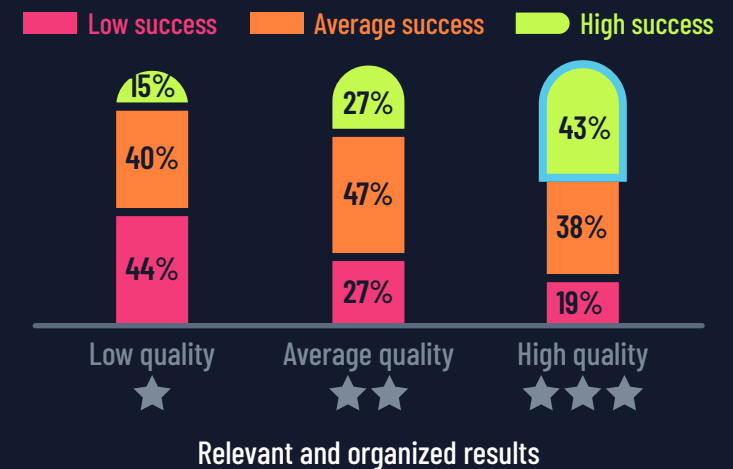# Quality site search: what does it mean for end users?

Speed and ease of use

15 years ago, Google found that a **0.5 second delay causes a 20% drop in traffic**. The online giant has not only set standards for lightning-fast search, but for the rest of the user experience, too. Among survey respondents who rated their search at a high level for ease of use and delivering quick results, 41% found high success.

Relevant and organized results

Delivering relevant results remains the pinnacle of great search, but how those results are delivered matters. Spoiled by the likes of Google and Amazon, users want to see organized search results, for example in relevant product categories, or types of content. Survey responses reflect that 43% of respondents who offer relevant and organized search results see high success.

Impact of site search quality on financial success

Legend: ■ Low success ■ Average success ■ High success

	Low quality ★	Average quality ★★	High quality ★★★
High success	15%	23%	41%
Average success	38%	49%	39%
Low success	46%	28%	20%

Fast results and easy to find and use

	Low quality ★	Average quality ★★	High quality ★★★
High success	15%	27%	43%
Average success	40%	47%	38%
Low success	44%	27%	19%

Relevant and organized results

Quality search converts

The survey also showed that users of high quality site search are **3.4x more likely to convert, click, subscribe, or take other actions desired by the business.** This is another way the survey demonstrated financial benefits of search quality for the end user.

After all, it is end user actions that lead to revenue and ROI of site search. Consumers who use search are **2.4 times more likely to buy**. Searchers also **spend 2.6x more** across mobile and desktop compared with those who don't use search.

Providing high quality of search for site visitors makes users click on search results, add to the shopping cart, or view more content — all of which, in turn, leads to financial success.

Search users take a desired action: "Strongly agree"

High quality search ★ ★ ★ — **51%**

3.4x

Average quality search ★ ★ — **31%**

Low quality search ★ — **15%**

Impact of site search quality on financial success

Legend:
- ■ Low success
- ■ Average success
- ■ High success

	Low quality ★	Average quality ★★	High quality ★★★
High success	18%	21%	48%
Average success	36%	50%	34%
Low success	46%	29%	17%

Easy to optimize for internal users

Quality isn't only about the end user

When it comes to quality of search, another critical factor emerged in survey responses: **empowering business teams** — digital strategists, product managers, merchandisers, marketers, and content editors — to manage and optimize search.

In fact, ease of optimizing search for non-technical teams is the factor most strongly correlated with the financial success of an organization's site search.

This is no surprise. For one thing, business teams are the ones defining growth strategies for companies' products or content. Secondly, they are most directly responsible for ROI and improving business results. Last but not least, their direct engagement with testing, analyzing, and optimizing site search **frees up precious IT/developer team time** that can then go toward improving the user experience.
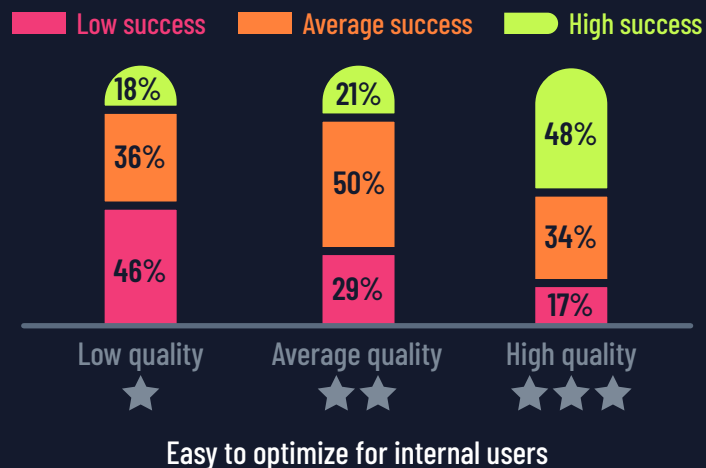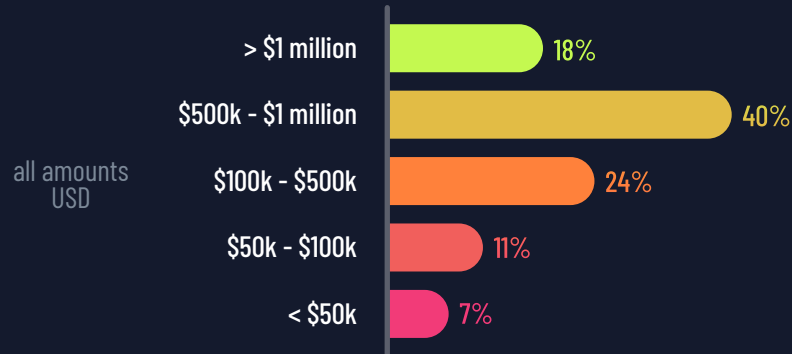
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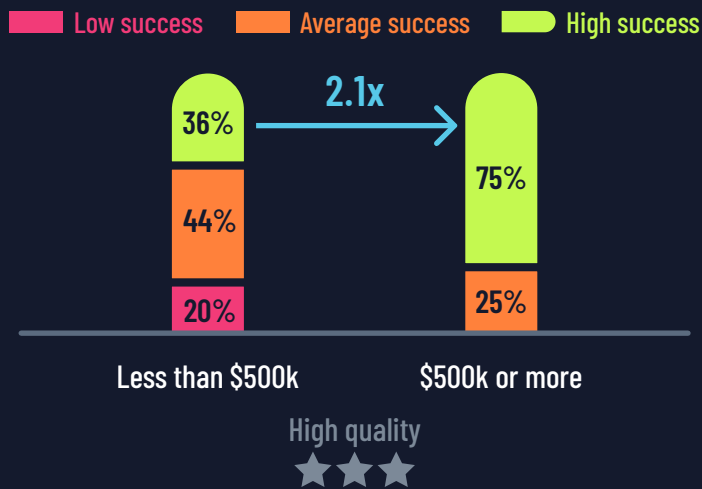# How companies are investing to drive value

Investing in site search is a strategy to stay ahead of the curve, and an area where decision-makers seek to expand.

Here is why, and, more importantly, how.

Annual financial investment in site search

all amounts
USD

> $1 million	18%
$500k - $1 million	40%
$100k - $500k	24%
$50k - $100k	11%
< $50k	7%

Impact of high quality search on success relative to annual site search investment

■ Low success   ■ Average success   ■ High success

2.1x

Less than $500k:
- 36% (High success)
- 44% (Average success)
- 20% (Low success)

$500k or more:
- 75% (High success)
- 25% (Average success)

Less than $500k $500k or more

High quality
★ ★ ★

Financial investment

Last year, **58% of organizations invested more than $500k USD in their site search** (considering total spend, i.e., tooling, headcount, etc.).

As their dollar investment rises, organizations are more likely to have a higher return on that investment, especially when they've achieved high quality.
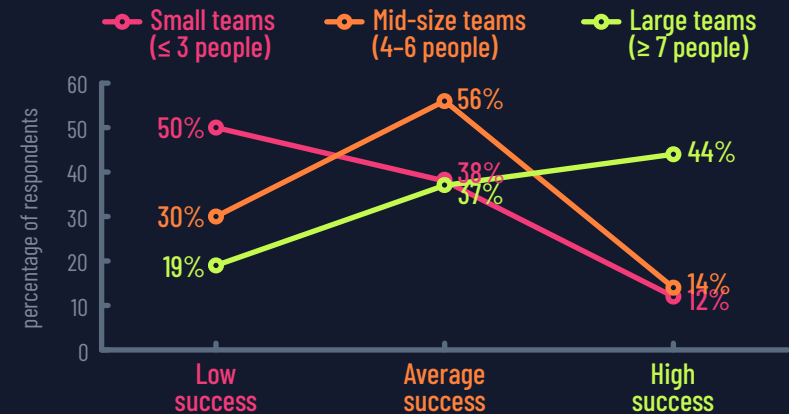
Investing in teams

We asked survey respondents to report on the **number of engineers and non-engineers** working on their site search teams.

Not surprisingly, those with larger teams are more likely to see higher financial success from site search.

On the surface, looking at all survey responses, it would appear that simply adding more team members (engineering or otherwise) will result in higher success.

But a closer look at the approaches companies take to implement search paints a different picture. Read on.

Impact of team size on search success: Engineers

Small teams (≤ 3 people) Mid-size teams (4-6 people) Large teams (≥ 7 people)

percentage of respondents

- Low success: Small 50%, Mid-size 30%, Large 19%
- Average success: Mid-size 56%, Small 38%, Large 37%
- High success: Large 44%, Mid-size 14%, Small 12%

Impact of team size on search success: Non-engineers

Small teams (≤ 2 people) Mid-size teams (3-4 people) Large teams (≥ 5 people)

percentage of respondents

- Low success: Small 46%, Mid-size 26%, Large 22%
- Average success: Mid-size 50%, Small 43%, Large 33%
- High success: Large 44%, Mid-size 24%, Small 11%
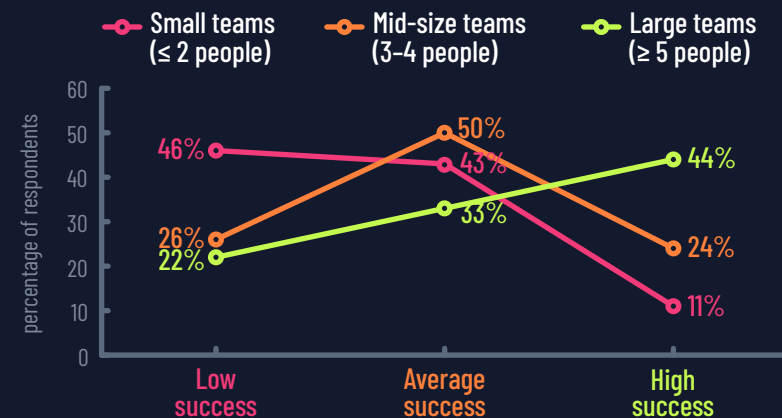
Growing teams must be strategic

Looking at the impact of engineering team size on search success, we see different patterns for organizations with site search built by in-house engineering teams (typically using open-source tools) and those that use third-party tools.

Organizations using in-house tools:

- have overall larger teams

- reach average success relatively easily, but

- don't increase success with larger engineering teams
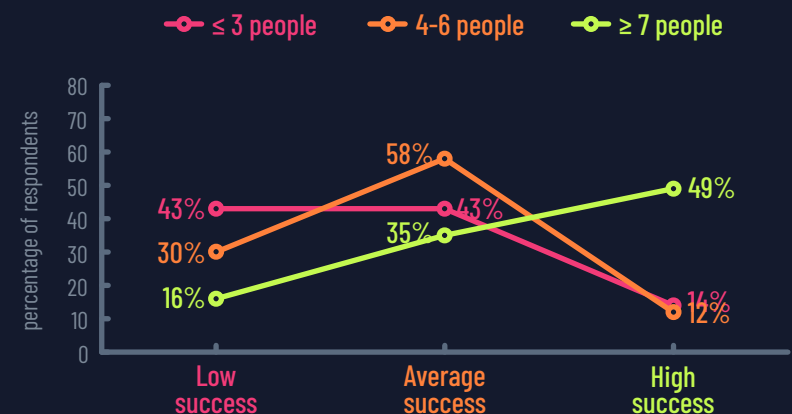
Organizations using third-party tools:

- have smaller engineering teams on average

- see direct correlation between engineering team size and success

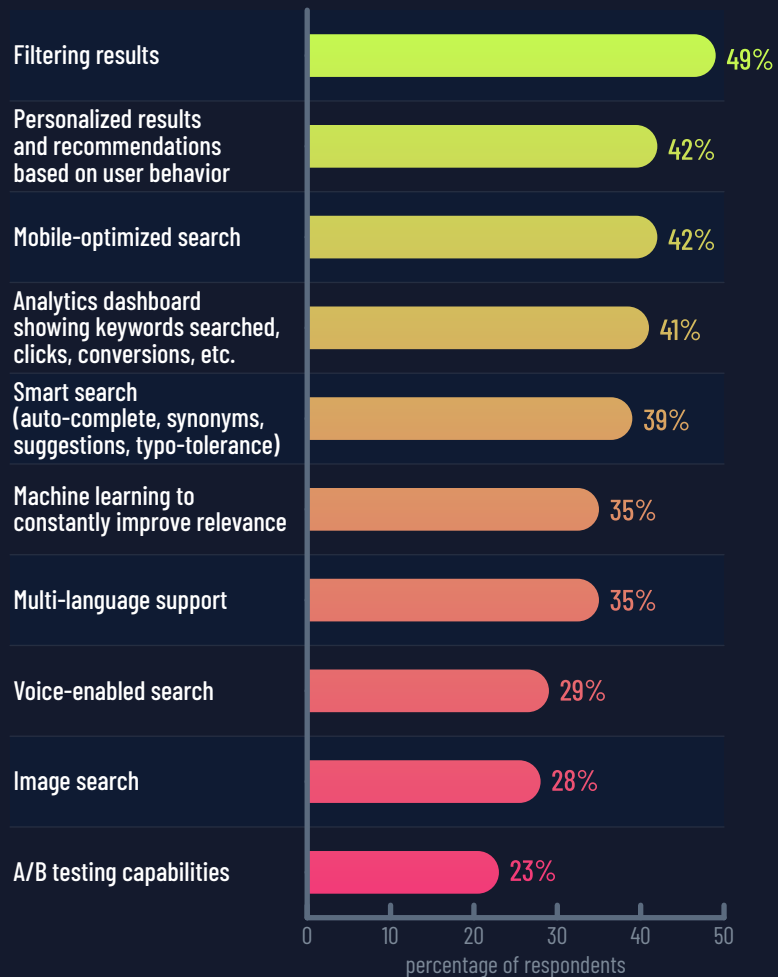Similar results bear out for teams of non-engineers.

Impact of engineering team size on search success: In-house tools

○ ≤ 3 people   ○ 4-6 people   ○ ≥ 7 people

percentage of respondents

- 78% (Low success, ≤ 3 people)
- 33% / 29% (Low success, 4-6 people / ≥ 7 people)
- 48% / 44% (Average success)
- 17% (Average success, ≤ 3 people)
- 27% (High success, ≥ 7 people)
- 20% (High success, 4-6 people)
- 4% (High success, ≤ 3 people)

Low success   Average success   High success

Impact of engineering team size on search success: 3rd-party tools

○ ≤ 3 people   ○ 4-6 people   ○ ≥ 7 people

percentage of respondents

- 43% (Low success, ≤ 3 people)
- 30% (Low success, 4-6 people)
- 16% (Low success, ≥ 7 people)
- 58% (Average success, 4-6 people)
- 43% (Average success, ≤ 3 people)
- 35% (Average success, ≥ 7 people)
- 49% (High success, ≥ 7 people)
- 14% / 12% (High success, ≤ 3 people / 4-6 people)

Low success   Average success   High success

Feature implementation rates

| Feature	Percentage
Filtering results	49%
Personalized results and recommendations based on user behavior	42%
Mobile-optimized search	42%
Analytics dashboard showing keywords searched, clicks, conversions, etc.	41%
Smart search (auto-complete, synonyms, suggestions, typo-tolerance)	39%
Machine learning to constantly improve relevance	35%
Multi-language support	35%
Voice-enabled search	29%
Image search	28%
A/B testing capabilities	23%

percentage of respondents

Popular features:

The most implemented features are those supporting product and content discovery — filtering, personalized results and recommendations — followed closely by mobile-optimized search and search analytics.

"Smart search" or **textual relevance features** such as as-you-type results, autocomplete, typo tolerance, synonyms, and query suggestions — table stakes for modern search — are only implemented by 39% of companies.

Voice search, image search, and site-search-specific A/B testing capabilities are trailing closely. These advanced features are relatively new to the market, but are quickly becoming standard fare.

Discovery capabilities among respondents with high search success

"Site search is not limited to the search bar and allows for other forms of discovery"

Strongly agree **40%**

Agree **22%**

Don't agree **18%**

2.2x
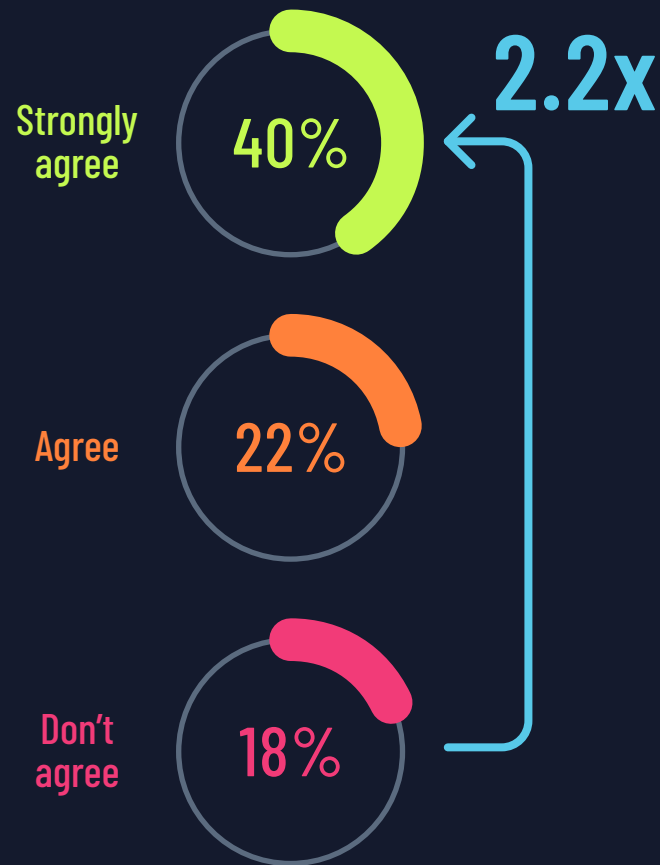
Discovery is the path to success

Modern search goes beyond the search bar.

Discovery of products and content via browsing, filtering, faceting, and recommendations is a critical path to strong user experience.

Discovery is very important to users, so it should also matter to companies. Responses to this survey revealed that organizations with discovery capabilities are 2.2x more likely to realize high success from site search.

Much of how people find and discover content and products comes down to individual preferences and context, but in an ideal scenario, **search and discovery should work in a unified manner.** Users can start by either searching or navigating, then further refine their results by leveraging the other strategy in addition.
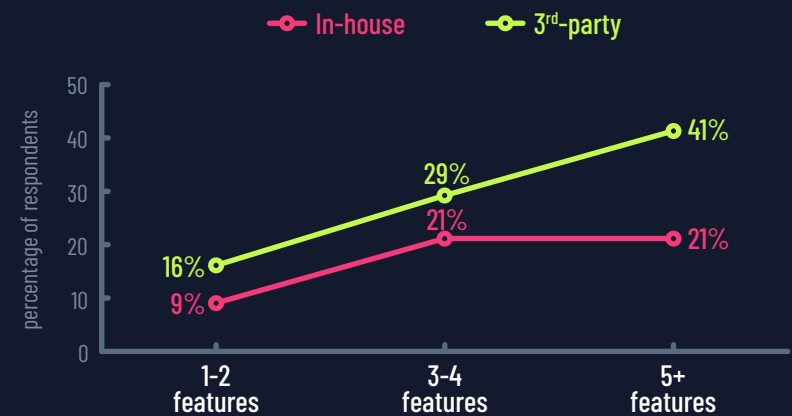
State of features:
is more better?

It's important to include features that help users navigate and explore sites successfully, but any kind of feature expansion should happen strategically.

The survey showed that increasing the number of features has varying impact on the success of search.

Third-party tools see a continued increase in success as they add search functionality, while in-house tools don't see higher financial returns after they develop 3-4 features.

High success compared to number of implemented features

Legend: In-house | 3rd-party

percentage of respondents

In-house: 9%, 21%, 21%
3rd-party: 16%, 29%, 41%

1-2 features | 3-4 features | 5+ features

Impact of length of investment on search success

| | Low success | Average success | High success |

3 years or less
- In-house: 56% | 38% | 6%
- 3rd-party: 35% | 52% | 14%

4 years or more
- In-house: 33% | 40% | 27%
- 3rd-party: 22% | 40% | 38%
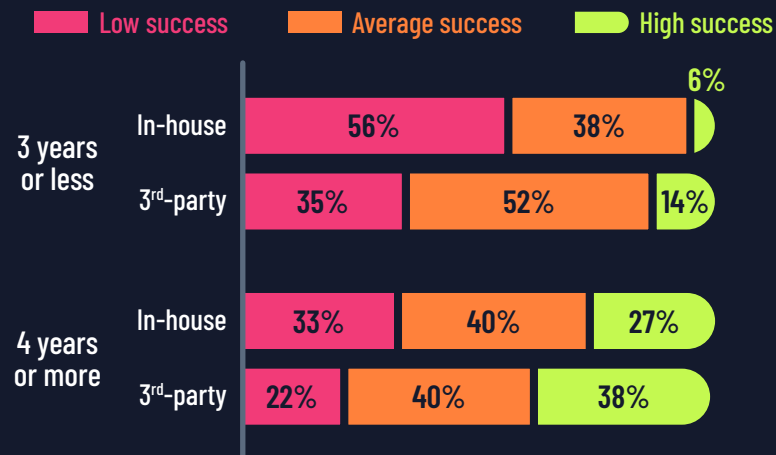
Investing in search is a multiyear project

Survey results showed that the sooner companies begin investing in site search and the longer they stay focused on it, the greater the likelihood they'll see financial success from their efforts.

Third-party tools deliver average success levels sooner, and progress to high success at a faster rate.

No matter the search implementation path, optimizing search for success can take time. This is why innovating faster and empowering business users with self-serve functionality are so important.
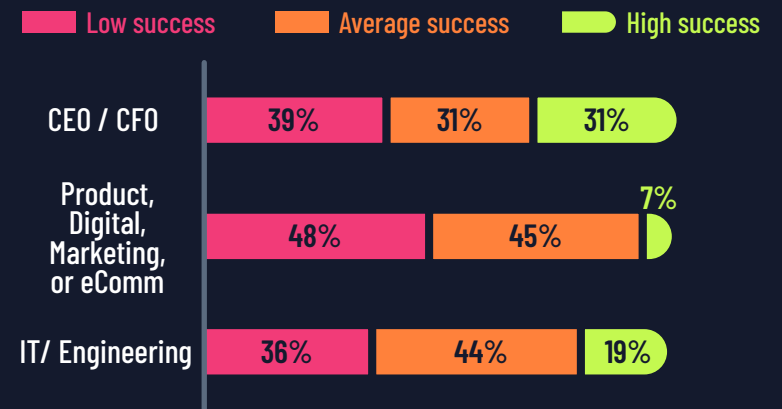
Decision making for success

Companies using in-house tools tend to have their search budget owned by IT/Engineering departments, but accomplish higher success rates with executive buy-in.
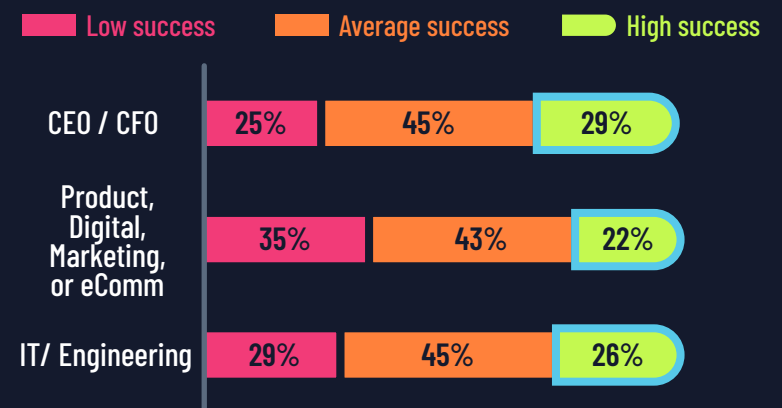
Those with thirdy-party tools see high success rates "democratized" across the organization, implying benefits from empowering both IT and various business teams with decision making.

Much like with managing site search in the trenches, the collaboration between tech and business brings results.
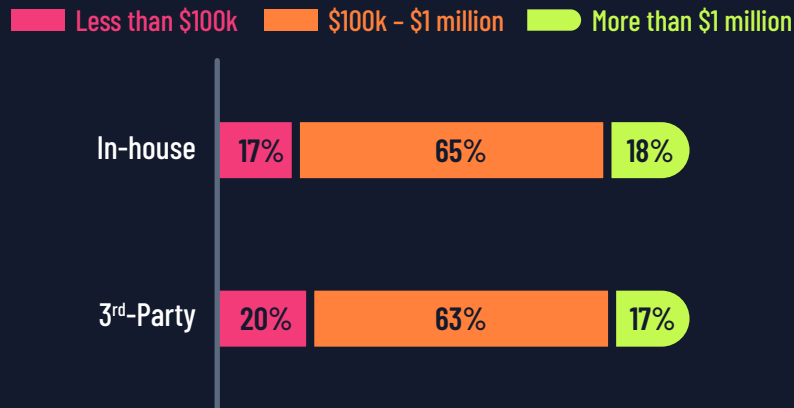
Success rates for in-house tools relative to site search decision maker

█ Low success   █ Average success   █ High success

	Low success	Average success	High success
CEO / CFO	39%	31%	31%
Product, Digital, Marketing, or eComm	48%	45%	7%
IT/ Engineering	36%	44%	19%

Success rates for 3rd-party tools relative to site search decision maker

█ Low success   █ Average success   █ High success

	Low success	Average success	High success
CEO / CFO	25%	45%	29%
Product, Digital, Marketing, or eComm	35%	43%	22%
IT/ Engineering	29%	45%	26%

Financial investment:
In-house vs. 3ʳᵈ-party search tools

■ Less than $100k   ■ $100k - $1 million   ■ More than $1 million

In-house   17%   65%   18%

3ʳᵈ-Party   20%   63%   17%

Financial success:
In-house vs. 3ʳᵈ-party search tools

■ Low success   ■ Average success   ■ High success

In-house   41%   40%   20%

3ʳᵈ-Party   27%   45%   28%

1.4x
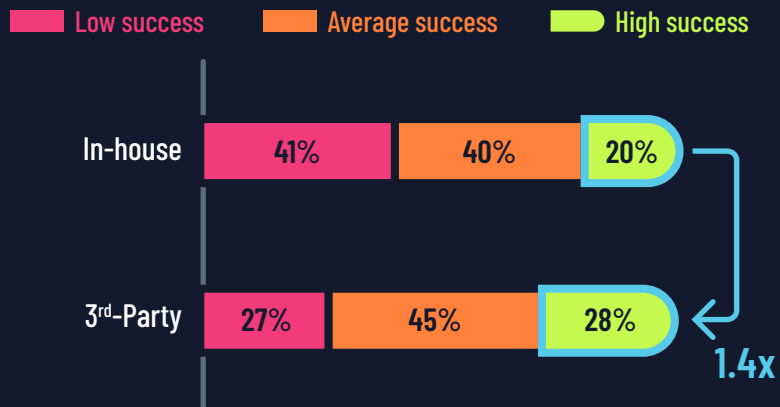
With in-house search, as efforts increase, success does not

When it comes to increasing investment in people and features, **the complexity of building great search with in-house tools rises significantly.** This may explain the difference in success when it comes to dollar investments, too.

Survey respondents reported roughly equal dollar investment for in-house site search tools and third-party tools. But, despite this parity in spend between in-house and third-party tools, success rates resulting from the investments are different.

Organizations using in-house tools are significantly more likely to experience low financial return from their site search.

Words to the wise

With so much potential, it's tempting to dive into investing in search. But that expansion should happen strategically. Here is where to focus in 2021 and beyond.

- Invest in high quality search.

- And by quality, we mean better experiences, both for visitors to your digital properties, and for your internal teams who analyze, optimize and measure search.

- Successful search goes beyond the search bar. It entails discovery with features like browsing, filtering, personalization and recommendations. Going mobile-first is table stakes.

- An integrated approach where tech and business work together leads to better outcomes.

- Beware of too many bells and whistles. When expanding teams and building more features, be focused on financial success, user and employee impact — not just on expanding functionality.

- The benefits come with investing in site search early — and staying in it for the long haul.

About Algolia

Algolia is the Search-as-a-Service platform that enables companies of all sizes to deliver fast and relevant digital experiences. With Algolia, consumers are able to find and discover what they want easily across web, mobile and voice. Algolia allows developers and business teams to build and optimize search and discovery experiences that increase online engagement, conversion rates and revenue. More than 9,500 companies including Under Armour, Lacoste, Birchbox, Stripe, Slack, Medium, and Zendesk rely on Algolia to manage over 95 billion search queries a month.
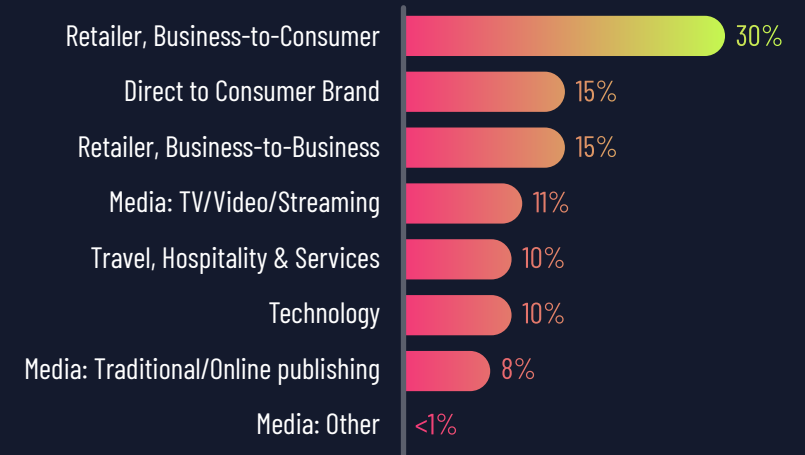
To learn more, visit www.algolia.com.
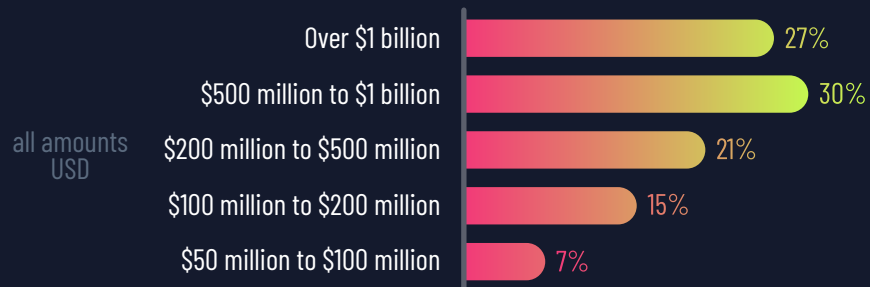
Survey methodology and respondents

Algolia and OnResearch, a professional research firm, conducted the survey over a 30-day period from June 2, 2020 to July 3, 2020. Respondents were sourced from a professional online panel and were compensated for their time.

Five hundred site-search-knowledgeable professionals from the United States, Germany, France and the UK responded to 35 questions to help understand the current state of search and discovery.
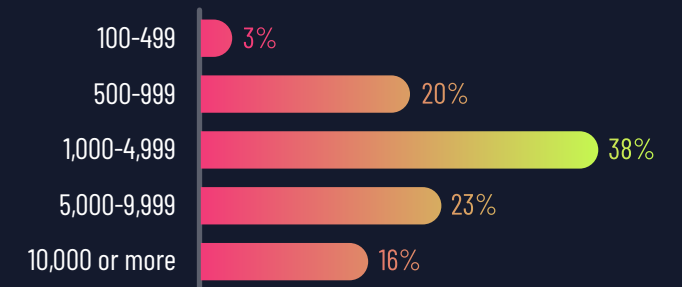
Company industry/sector

Retailer, Business-to-Consumer	30%
Direct to Consumer Brand	15%
Retailer, Business-to-Business	15%
Media: TV/Video/Streaming	11%
Travel, Hospitality & Services	10%
Technology	10%
Media: Traditional/Online publishing	8%
Media: Other	<1%

Company annual revenue

all amounts USD

Over $1 billion	27%
$500 million to $1 billion	30%
$200 million to $500 million	21%
$100 million to $200 million	15%
$50 million to $100 million	7%

Company global headcount

100-499	3%
500-999	20%
1,000-4,999	38%
5,000-9,999	23%
10,000 or more	16%

Respondent job title

Manager	54%
Individual Contributor	16%
Upper Management (e.g. Director, VP, SVP)	12%
Senior Manager	10%
C-suite	6%
Owner/Partner	2%
Board Member	<1%
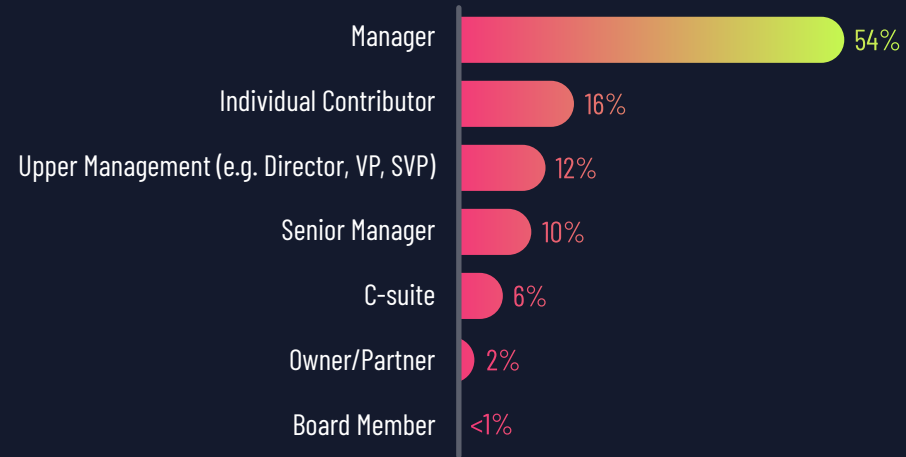
Respondent job function

Information Technology (IT)	38%
e-Commerce	18%
Manufacturing/Product/Production	16%
Marketing/Digital Marketing	15%
User Service/User Operations	6%
Research and Development/Innovation	4%
Engineering	3%