

 **The Digital Influence Index Study:**
Understanding The Role Of The Internet In the Lives of
Consumers in the UK, Germany and France

FLEISHMAN[™]
INTERNATIONAL COMMUNICATIONS
HILLARD

Research conducted in December 2007 and January 2008
by Fleishman-Hillard and Harris Interactive



Questions about methodology and
conducting additional online research:
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Questions about details of research findings:
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➤ Quick Background On The Study

- Interviewing for the online survey took place between December 2007 and January 2008.
- We interviewed 4,921 Internet users across three countries:
 - UK = 1933 respondents
 - France = 2013 respondents
 - Germany = 975 respondents
- The data was quota sampled and then weighted using a proven bias correction method called Propensity Scoring to ensure a representative sample of internet users across each country.

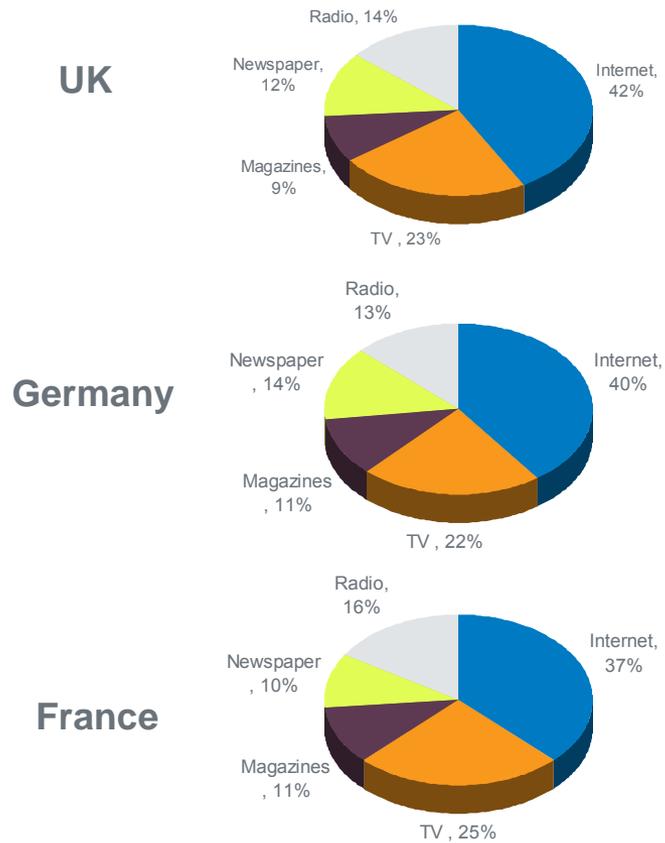
➔ What types of questions are answered by insights from the digital influence index study?

- **Question #1 - Influence:** What is the influence of the internet compared to other media?
- **Question #2 – Adoption of Behaviors:** What online behaviours are consumers adopting?
- **Question #3 – Impact on Decision-making:** What is the impact of the internet on specific consumer decisions?
- **Question #4 - Attitudes:** What are consumer attitudes towards the internet?
- **Question #5 - Differences by Country:** What are the differences by country?

Insight #1 – Influence: How influential is the Internet?

Influence of each media on decisions

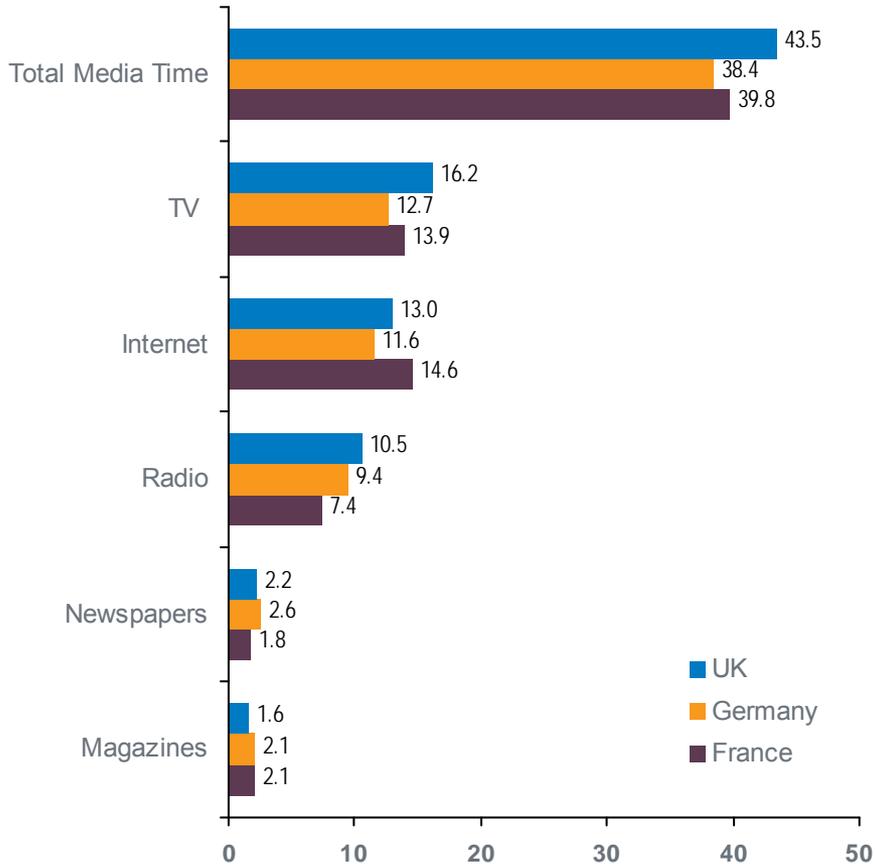
Share of Influence
(Based on Point Allocation)



Insight #1 – Influence: How influential is the Internet?

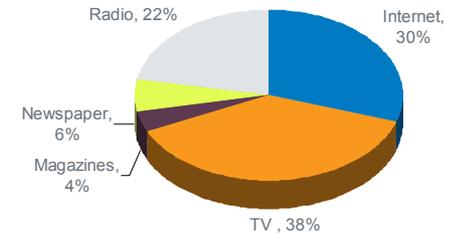
Weekly time spent per media

Time Spent by Media

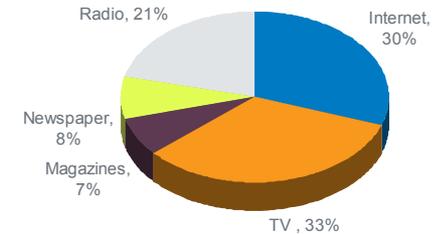


Share of Time

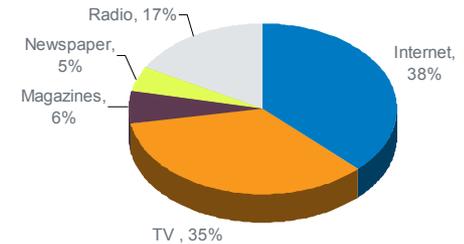
UK



Germany



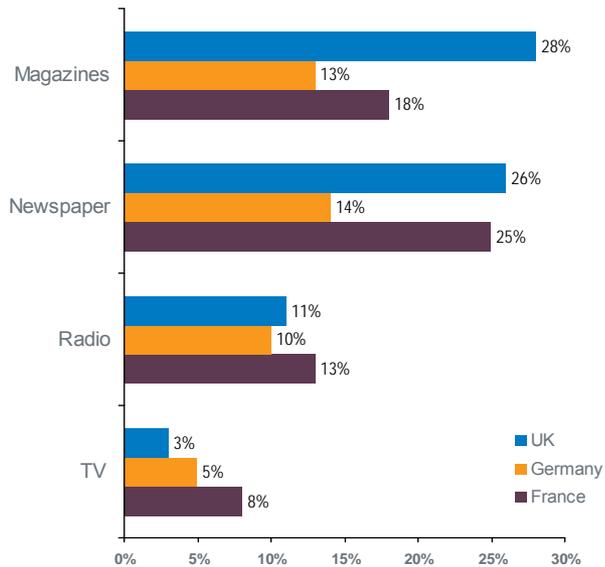
France



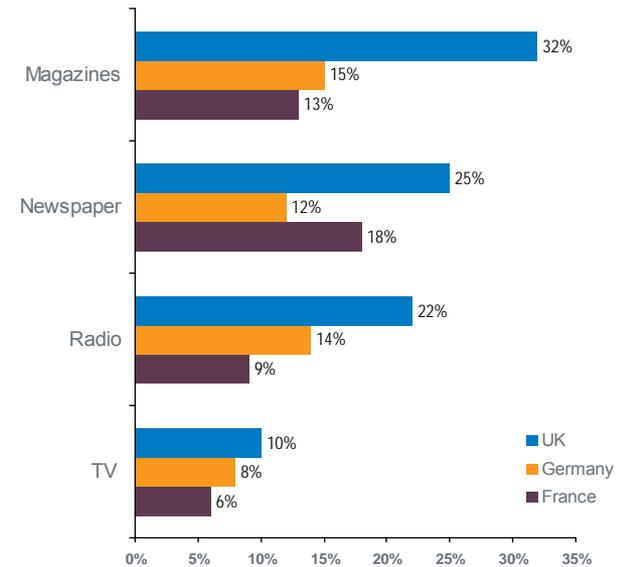
Insight #1 – Influence: How influential is the Internet?

Media that has no time spent or influence

% With No Time Spent In Average Week In Media

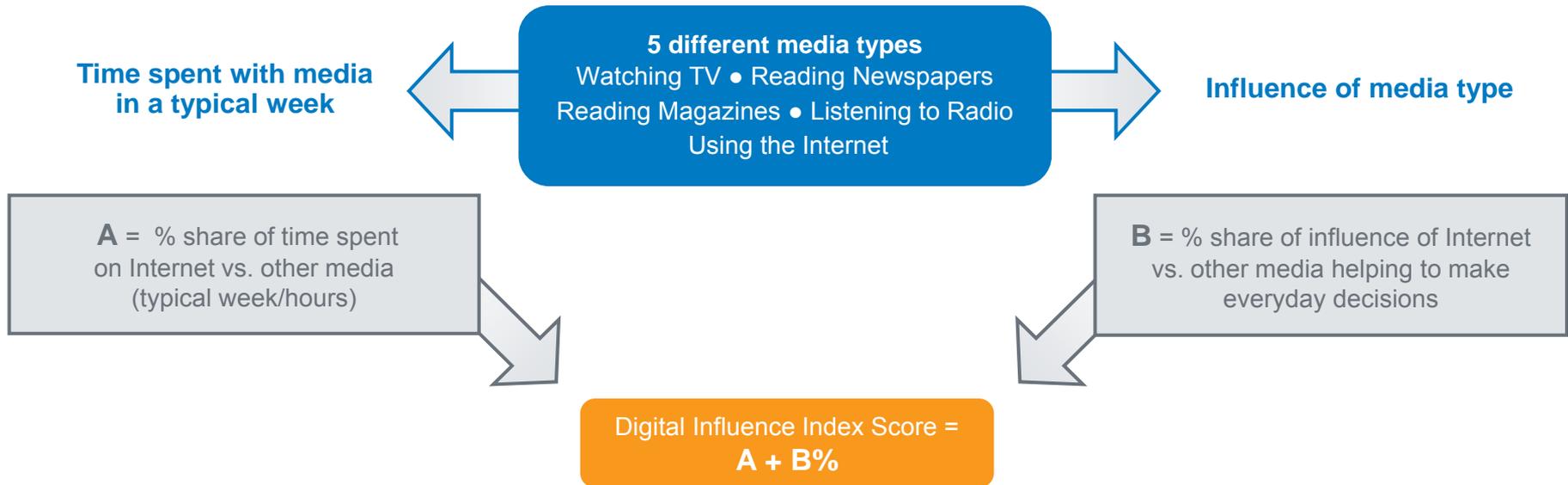


% Who Say Media Has No Influence On Decisions



Insight #1 – Influence: What is the Digital Index?

Creation of Digital Influence Index Benchmark



Benefits: easy to understand, replicable across countries/sectors, trackable

Caveats: self reported, does not incorporate outcomes

➤ Insight #1 – Influence: What are the Digital Influence Index scores telling us?

Media Index Scores by Country

UK
Internet 44%
TV 34%
Newspapers 5%

The Internet is more impactful than other forms of media ...

Germany
Internet 45%
TV 30%
Newspapers 7%

... more than traditional media forms such as TV and newspapers ...

France
Internet 46%
TV 33%
Newspapers 3%

... and this is remarkably consistent across countries.

Insight #2- Adoption of Behaviours: How are online behaviours organized?

Early Web Behaviours

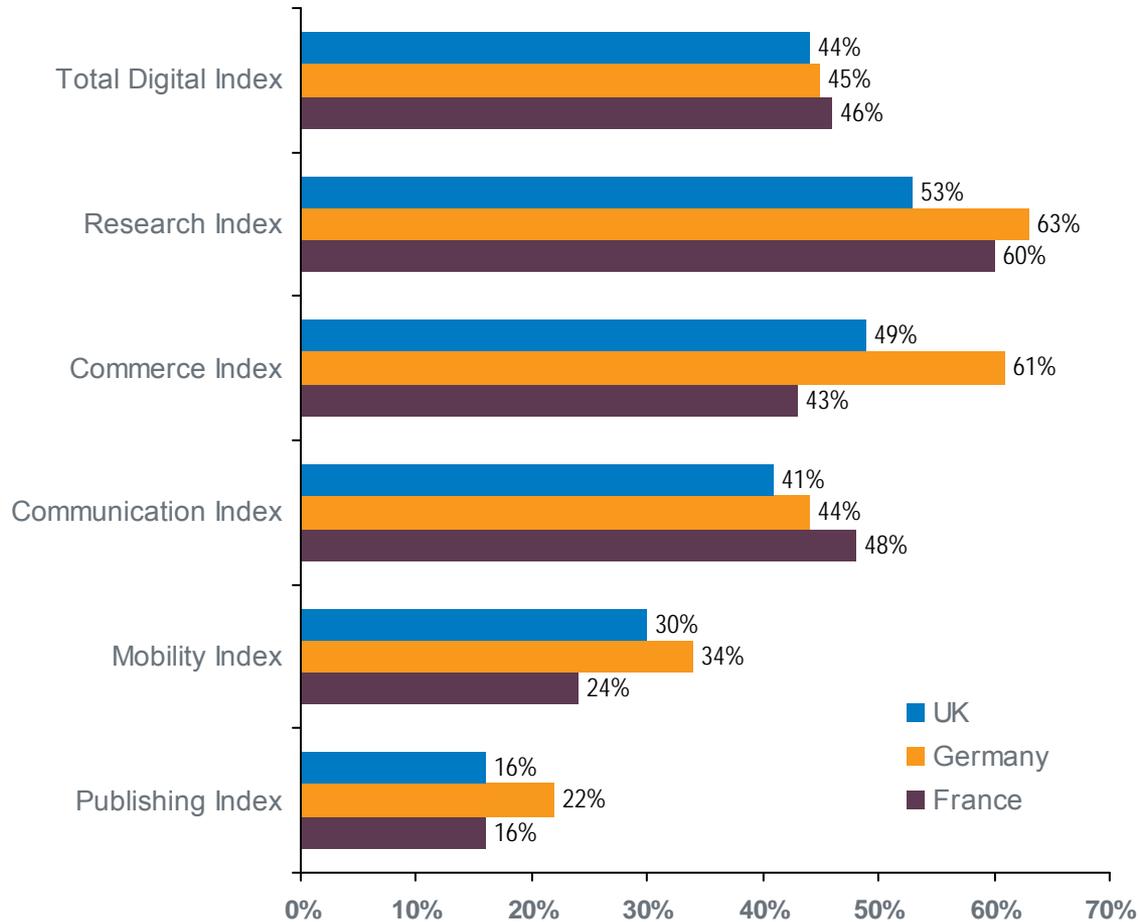


Advanced Behaviours

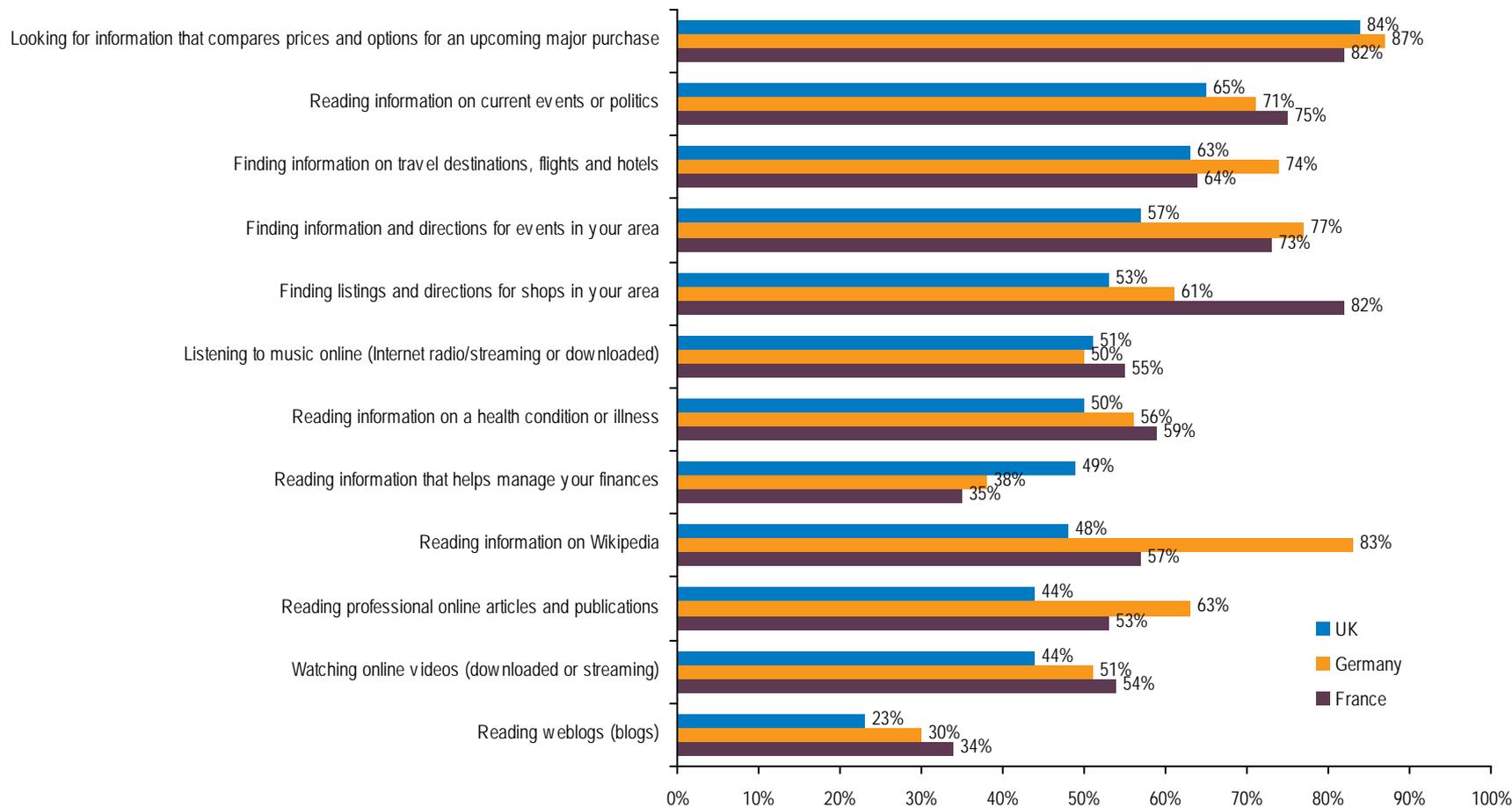
	Behaviours	Examples
Web 1.0	People consume content on the internet to find information that helps them make decisions or as entertainment.	Read information on politics and current events
	People use the internet to communicate with other people.	Use instant messaging
	People use the internet to purchase goods and services or actively manage finances.	Make purchases online
Web 2.0	People use the internet to express themselves by generating content.	Rate products and services
Web 3.0	People are free from the fixed points and use internet technologies while on the go.	Surf the Internet – mobile device

Insight #2- Adoption of Behaviours: What online behaviours are consumers adopting?

Behavioral Index Scores by Country



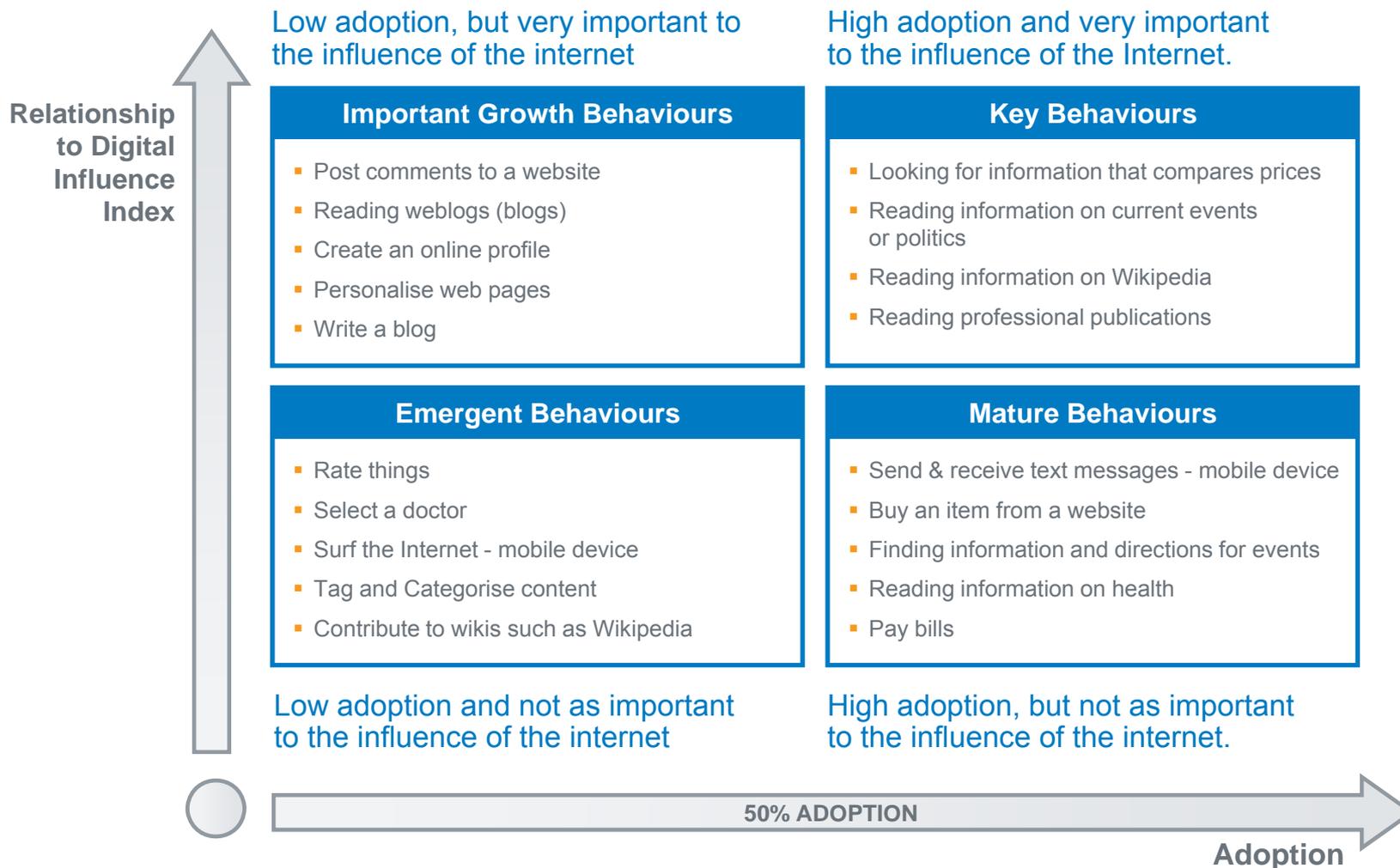
Insight #2- Adoption of Behaviours: What research behaviours are consumers adopting?



➤ Insight #2- Adoption of Behaviours: What online behaviours are consumers adopting? (A few nuggets)

- Over 80% of online consumers in each country use the internet to conduct comparison shopping for major purchases.
- Over 3 out of 4 online consumers use the internet to manage bank accounts.
- A vast majority of consumers (70%+) are now using their mobile phones to send and receive text messages.
- Over 2/3rds of online consumers use the internet to keep up with current events or politics.
- Around 30% of online consumers post a comment to an online newsgroup or a website during a typical week.
- Less than one in five consumers have adopted mobile behaviours which let them take videos, surf the internet, send and receive email or play video.

Insight #2- Adoption of Behaviours: How do different behaviors relate to the influence of the internet compared to their adoption levels?

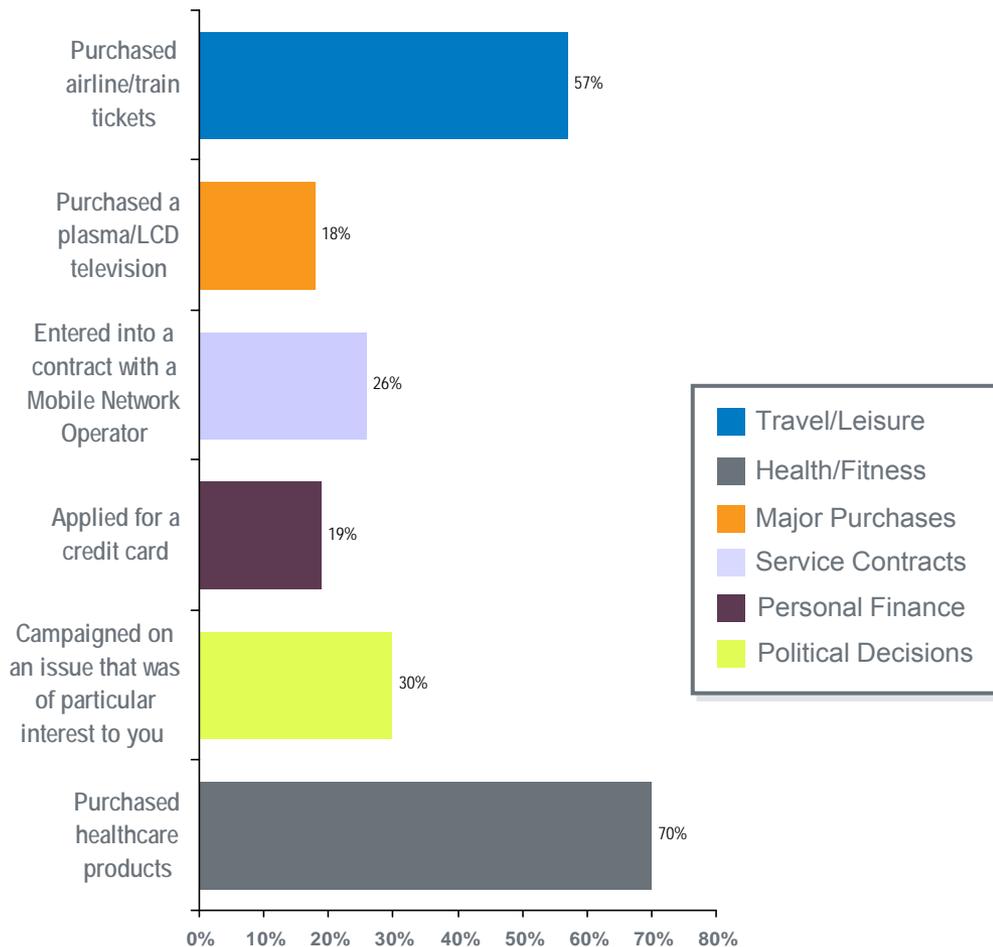




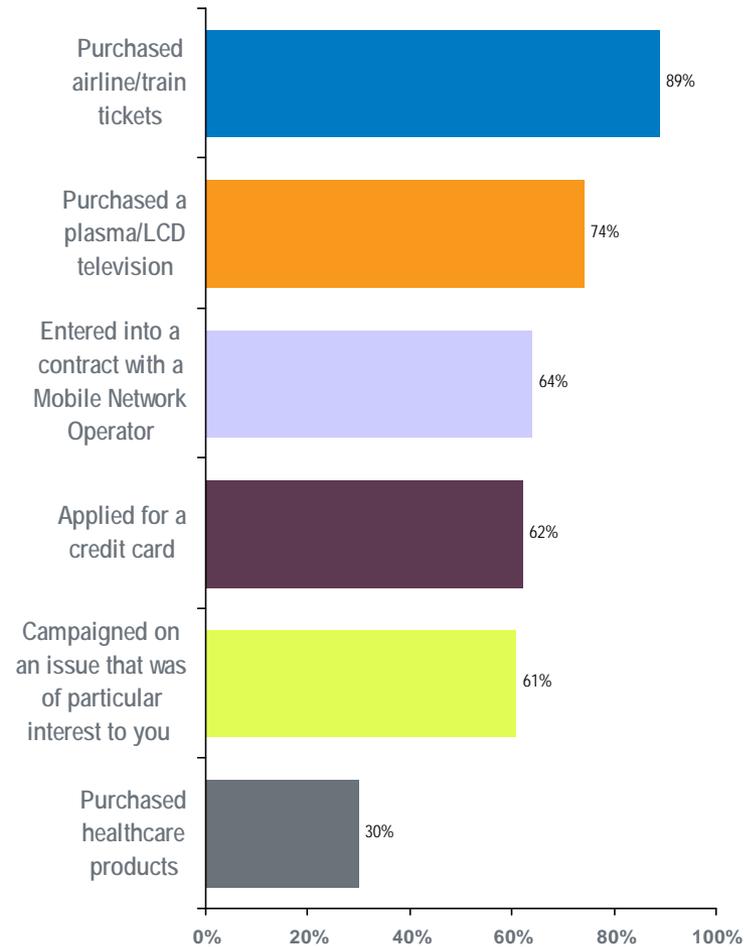
Insight #3 - Impact on Decision-making: Made a decision and did the internet help?

Example of some of the 35 life decisions

Made a Decision In Past 12 Months



Internet helped with the decision



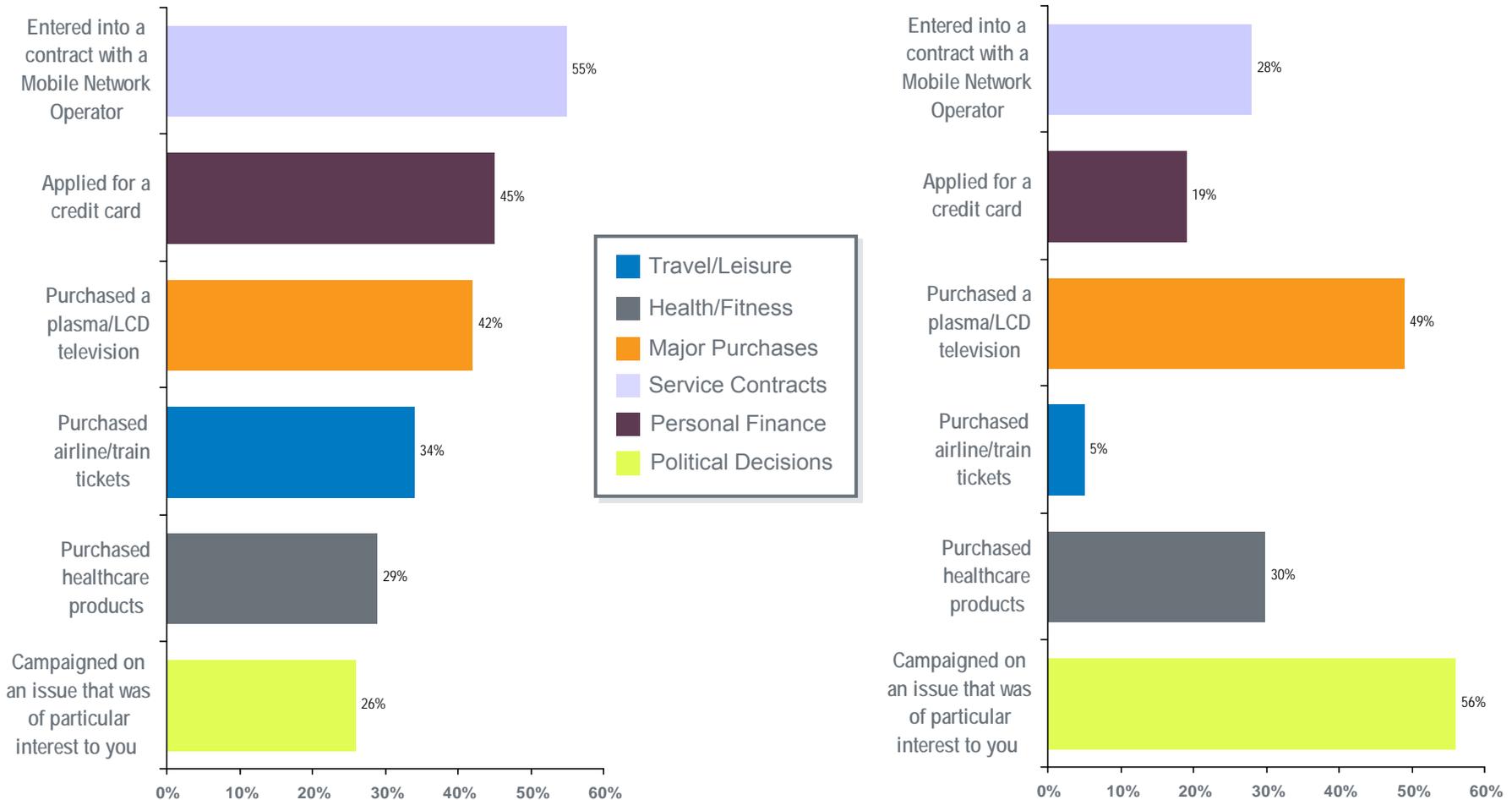
Insight #3 - Impact on Decision-making: How did the internet help?

A snapshot of the impact of sponsored content compared to consumer-generated content (Web 2.0)

Consumer Visited Company or Politically Sponsored Content

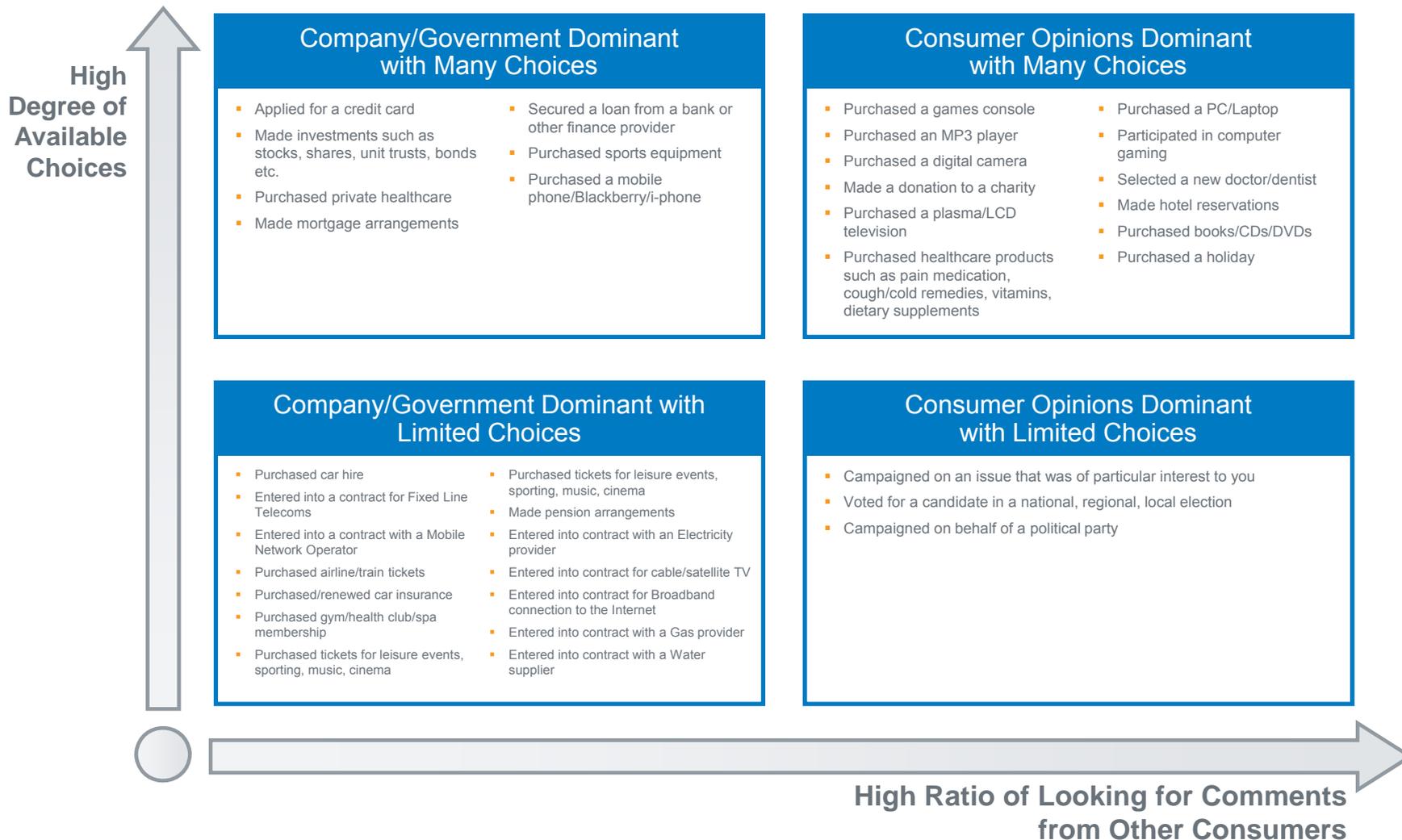
vs.

Consumer Looked for Comments and Advice from Other Consumers



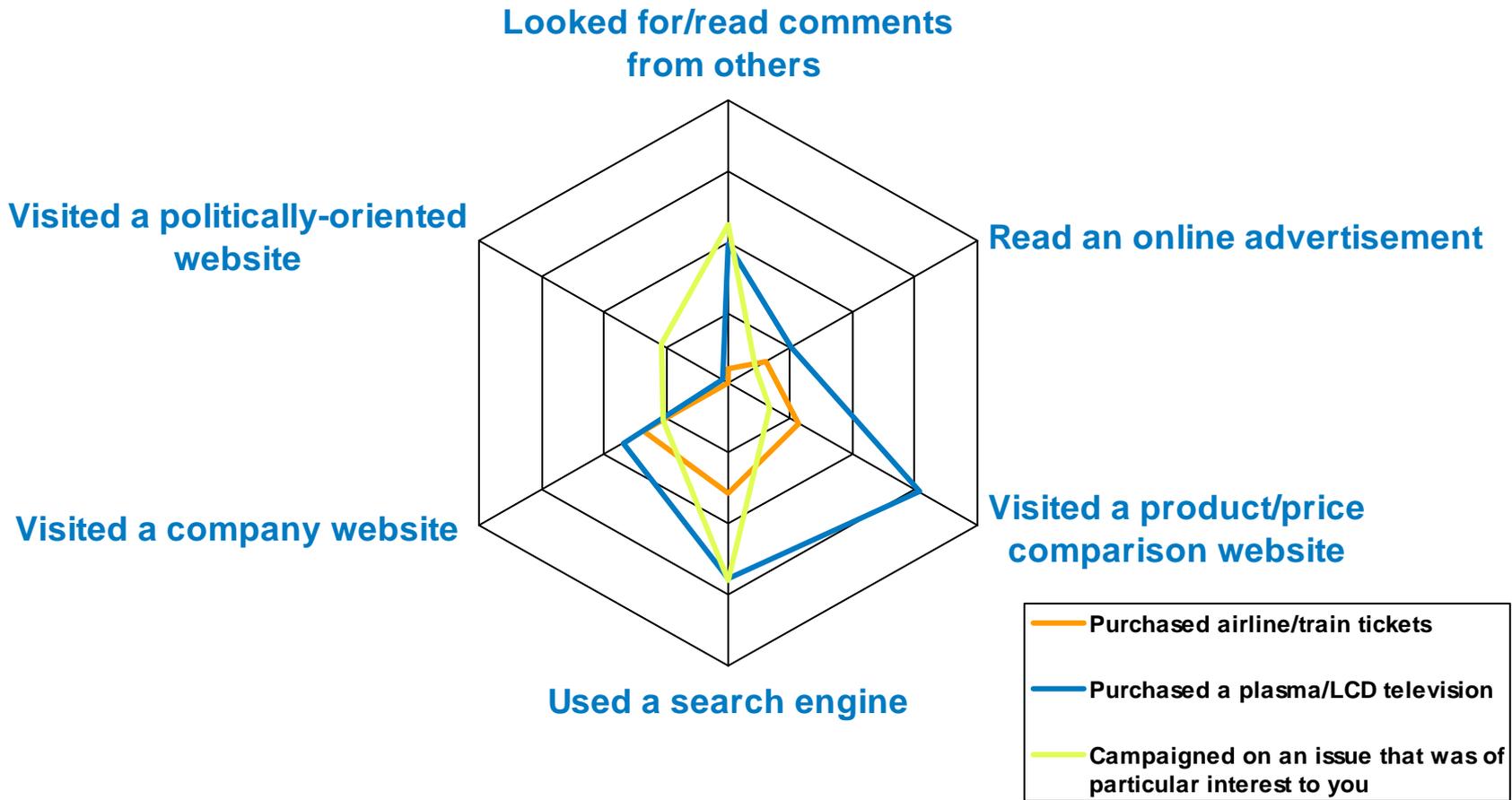
Insight #3 - Impact on Decision-making: How did the internet help?

Degree of available choices vs. whether consumers look for sponsored or consumer-generated content (web 2.0)



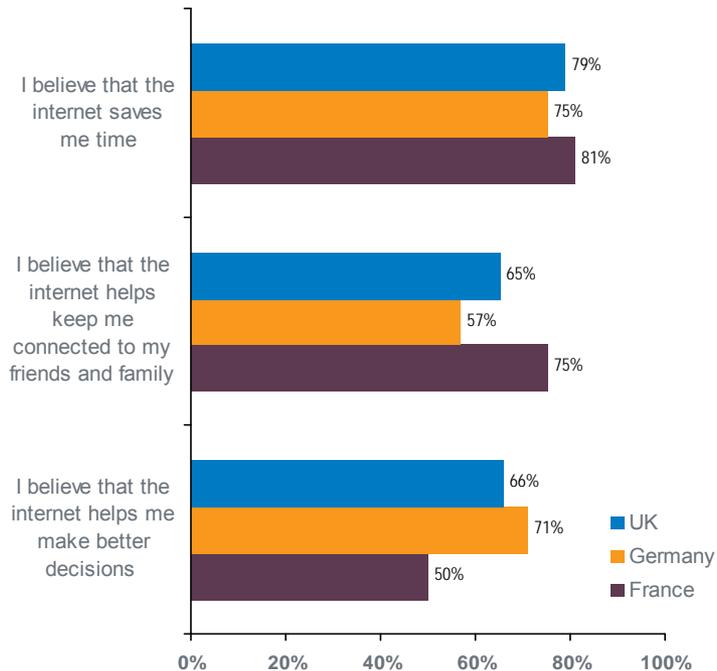
Insight #3 - Impact on Decision-making: How did the internet help?

Another view of six ways internet can help

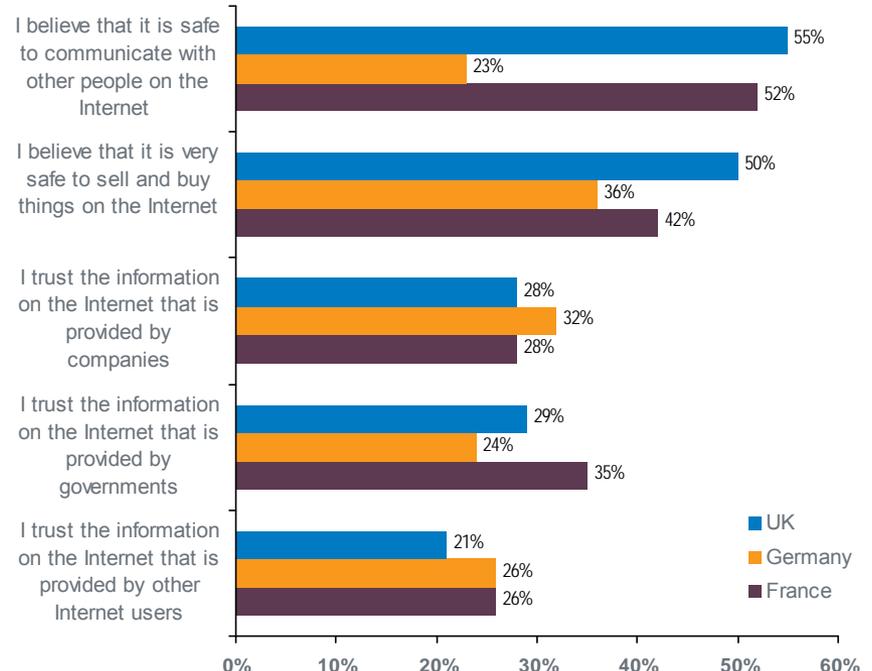


Insight #4 - Attitudes: What are consumer attitudes towards the Internet?

Benefits of the Internet



Trust and Safety on the Internet



➤ Insight #5 - Differences by Country

United Kingdom

- At 31%, British online consumers are the most likely to work on an online profile (Example: Facebook) as part of a social network compared to only 14% of French online consumers.
- British consumers are less likely to engage in most online researching behaviours.

Germany

- German consumers are more likely to read information on Wikipedia (83%) or read professional articles (63%.)
- The Germans (11%) are also more likely to contribute to wikis.
- Germans are more likely to play online games (22%).
- German consumers are much more likely (86%) to buy and sell (61%) items using an online auction.
- Germans (21%) are much more likely to remix materials they find online into a new creation.

France

- French consumers are much more likely to use the internet to find listings and directions for local shops (82%.)
- French consumers are more likely to read blogs (40%).
- Over 7 in 10 of the French Instant Message.

➤ What are the Insights of the Digital Influence Index Study?

- **Insight #1 - Influence:** The Internet is by far the most important medium in the lives of European consumers...but companies are underinvesting in that influence.
- **Insight #2 – Adoption of Behaviors:** Consumer use of the Internet falls into five distinct classes of behaviours. Smart marketers will clearly understand the mix of behaviours that is most critical to their business — and formulate integrated campaigns to address that mix.
- **Insight #3 – Impact on Decision-making:** Consumers use the Internet in different ways to make different decisions. The differences are driven by the impact of the decision on their lives and the range of available choices.
- **Insight #4 - Attitudes:** Consumers see the clear benefits of the Internet to their lives, but they still have strong concerns that need to be addressed.
- **Insight #5: Differences by Country:** Although most survey results were consistent across all three countries studied, several interesting distinctions emerged.

Marketers and communications specialists can use the insights in this study of more than 30 life decisions to help plan the emphasis of a digital strategy for influencing consumer choices about their product or service.

Some macro-level steps are recommended:

- Audit the space around your brand, products, and services
- Establish the best mix of Web 1.0 and Web 2.0 behaviours for campaign planning
- Recognise the proper role of the companies engaging in Web 2.0 behaviors is to participate and not control

➤ Key Implications of Findings

Digital Presence: Almost all consumers use the Internet to find information to better inform their decisions. It is important for a company to actively manage its digital presence:

- **Search and online visibility are key:** Have a good Search Engine Optimisation (SEO) program to drive search visibility.
- **Build a strong website:** It is often the first and only time a consumer will interact with a brand or organisation.
- **Wikipedia.** Many consumers are using Wikipedia as a key source. Companies need to actively engage in shaping their Wikipedia entries and not be defined by others.
- **Join the online conversation.** Actively engage with consumers and influencers, both the supporters and detractors, and maintain open dialogue.
- **Mobility.** Internet content is increasingly being consumed on smart mobile devices, so a company needs to make sure that its content is mobile-ready:

➤ Key Implications of Findings

Consumers clearly embrace the Internet because of its benefits, but they still have strong concerns about trust and security that need to be addressed.

- Any engagement with consumers in the digital world needs to be based on an open and honest representation of interests and positions. To do otherwise will likely backfire.
- Consumer conversations, opinions, and ratings are indelibly documented online. Resolving issues online quickly and satisfactorily is imperative to both immediate and long-term reputation.

How influential is the Internet?

Influence of each media on decisions

Importance ratings: At least half of online consumers across all three markets say that the Internet is important to life decisions, comparable to offline word of mouth from friends and family members and much more than other forms of media such as TV or Newspapers.

Share of influence: The Internet is by far most influential of all media.

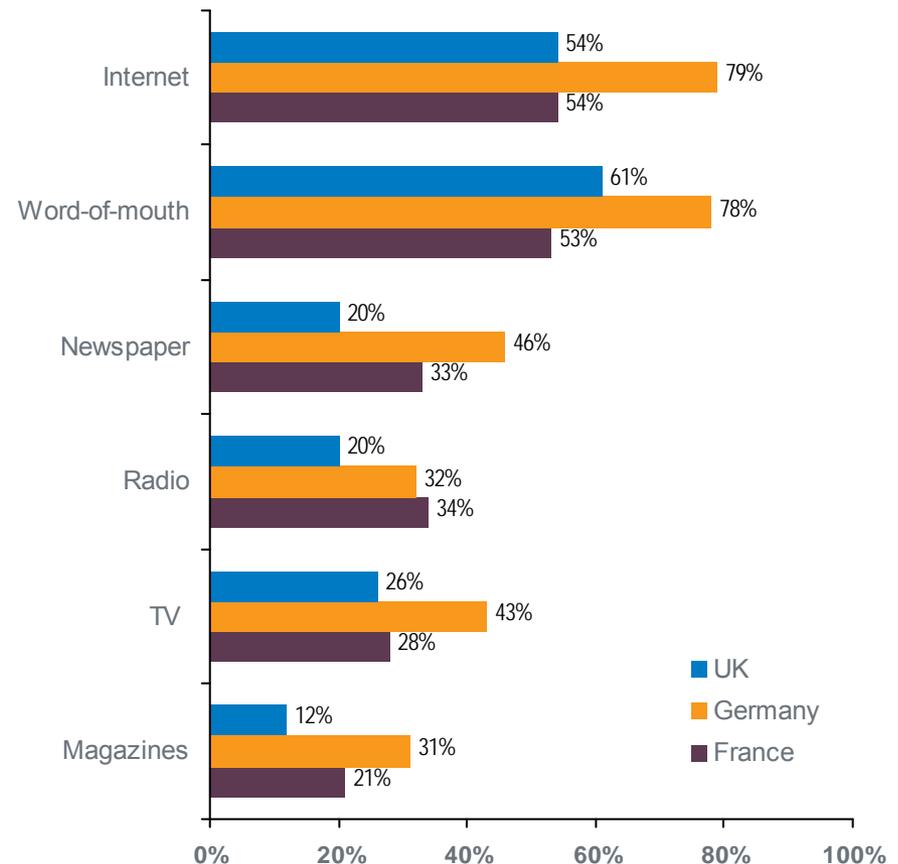
Question:

Method 1: We'd like you to think for a moment about how important each of the following is to helping you make decisions in your everyday life. Please tell us how important each is by assigning points. You have a total of 100 points you can spend on each item below in anyway that you want as long as they add to 100.

Method 2: In general, how important is information that you obtain from each of the following sources when making decisions in your daily life?

Notes: Both methods were used in the survey and presented above. Share of influence is based on the point allocation method.

Importance Rating to Decisions
(Very/Extremely/Absolutely)



- As the Internet continues to increase its role as a critical force in a wide range of our life decisions it is important to understand the real extent of its influence in the decision making process and as a media channel in its own right.
- The Internet is established and growing in the three markets reviewed (France, Germany, UK) with around 60%+ penetration, compared to just over 70% in the USA. Improvements in broadband delivery mean that the Internet is now a more usable tool with content becoming more sophisticated at a rapid pace.
- Mobile Internet has provided consumers with the opportunity to access the Internet on the move and the enhancements that smart phone technology has delivered will remove some of the “pain” previously associated with mobile Internet, although there is still a way to go.
- Despite the central and growing role of the Internet, very little research has been conducted to understand and quantify its influence, particularly when compared to other more traditional media channels. This creates a situation where it can be very difficult for companies to arm themselves with the information required to intelligently support their products and services through this new channel.
- In order to develop a broad based understanding of the influence of the Internet Fleishman-Hillard and Harris Interactive , conducted a wide ranging study to look at a number of aspects as to how individuals currently engage with the Internet. This study brings together the thinking of market research practitioners and communications professionals. It explores a broad set of media questions among the growing online population in three major European markets (UK, Germany and France) and sets a benchmark for monitoring the deepening role of the Internet in the lives of consumers in coming years.

➤ Key Objectives, Questions and Measures

Key Objective: Establish the level of influence of the Internet on decision making

Key Questions:

- Can we develop an effective benchmark measure?
- What role does the internet play at influencing different types of life decisions?
- Which online behaviours are most related to the influence of the internet?
- What online behaviours are consumers adopting?
- What role do attitudes play at driving online behaviours?
- What is the degree of engagement in advanced Web 2.0 behaviours?
- Do different types of people have different index profiles?

Key Measures

Time spent
across media
types/typical
week?

Influence of
media types
to daily
decisions?

Which online
activities
are they
engaged in?

What are their
attitudes
towards the
internet?

What impact
did the internet
have on specific
decisions?

Design and analysis of this study was conducted by FH Research, working in conjunction with Harris Interactive.

The field work for this study was conducted by Harris Interactive, London through a comprehensive, 25 minute online survey among a representative sample of 4,921 Internet users in the UK, France and Germany.

- UK = 1933 respondents
- France = 2013 respondents
- Germany = 975 respondents

Fieldwork for the survey took place between December 2007 and January 2008. Respondents to the survey were recruited from the various panels managed by Harris Interactive across the markets surveyed.

The data was weighted using a proven bias correction method used by Harris Interactive called Propensity Scoring to correct for self selection biases known to exist among respondents who have chosen to join an Internet panel and chosen to take part in an online survey.

The data was weighted to online population targets including those based on the following:

- age
- gender
- education
- region
- internet usage
- propensity

In addition, further weighting was applied to analyse the combined results, to reflect the online population sizes in each country.

➤ Where does influence lie?

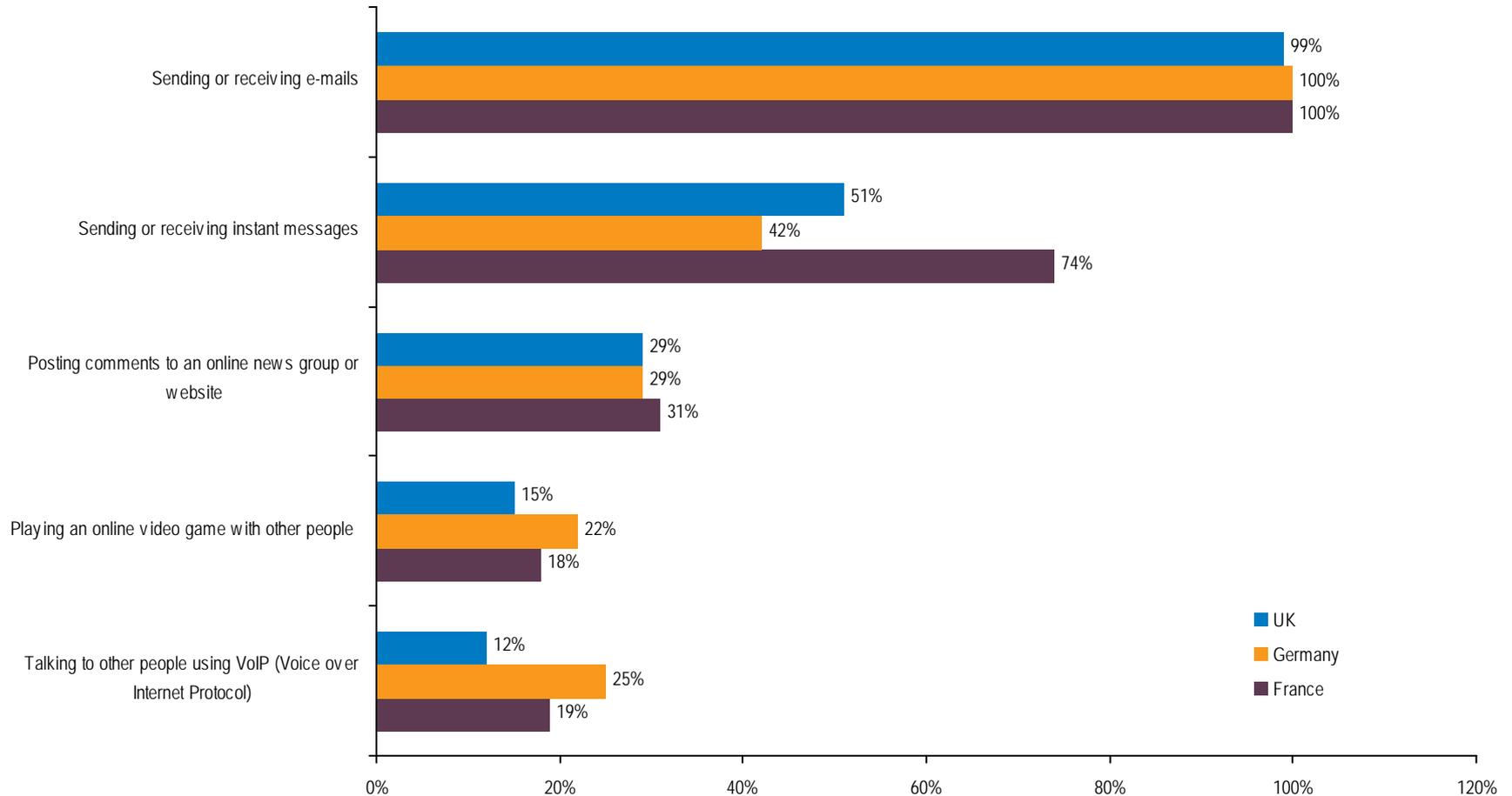
	Online Population as % of total	% of all media time spent on internet	% of media influence of the internet
UK	66%	30%	42%
Germany	65%	30%	40%
France	55%	38%	37%

Source:

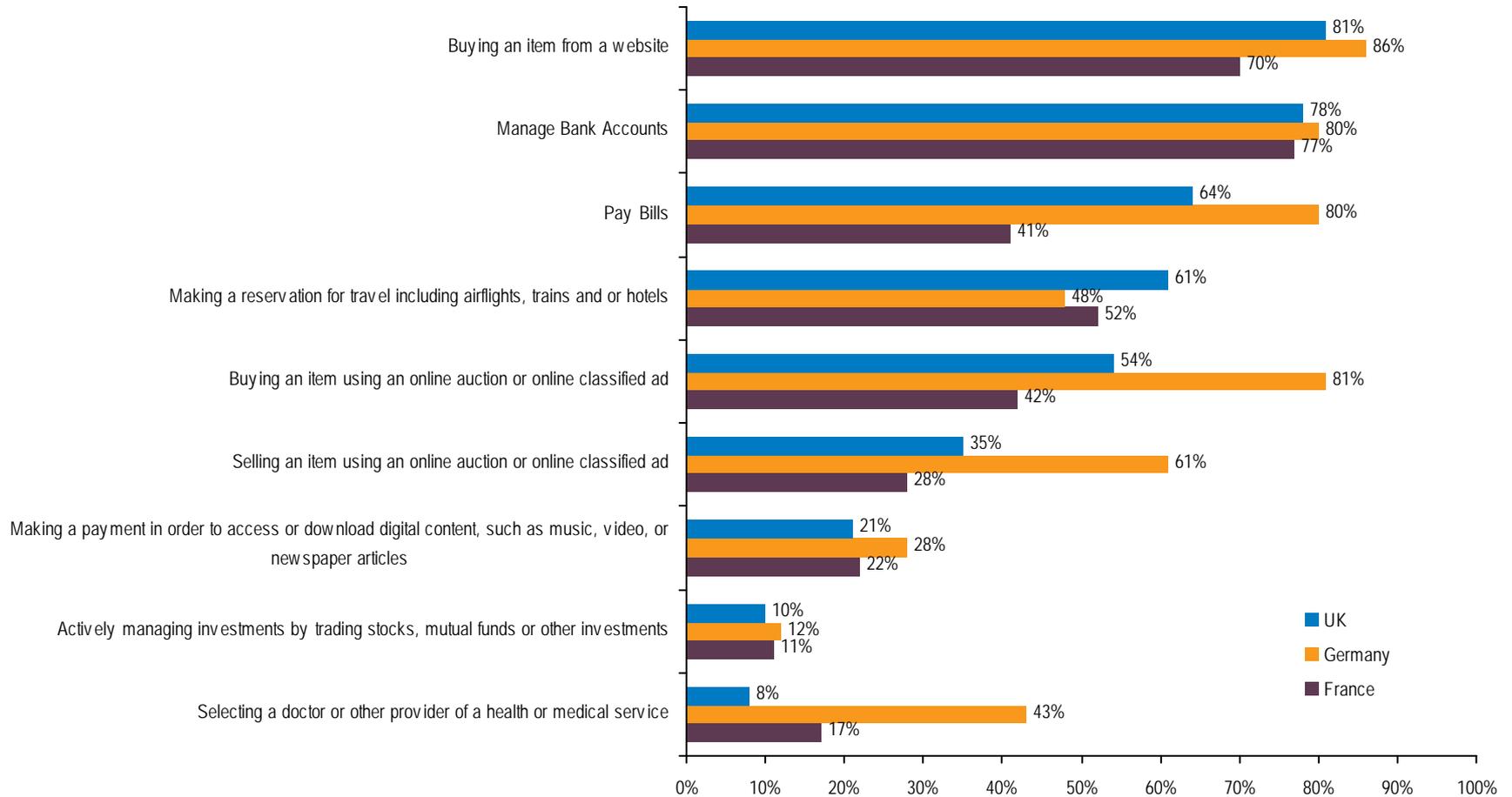
Online population from Nielsen NR June and November 2007

All other data from the Digital Influence Index Study

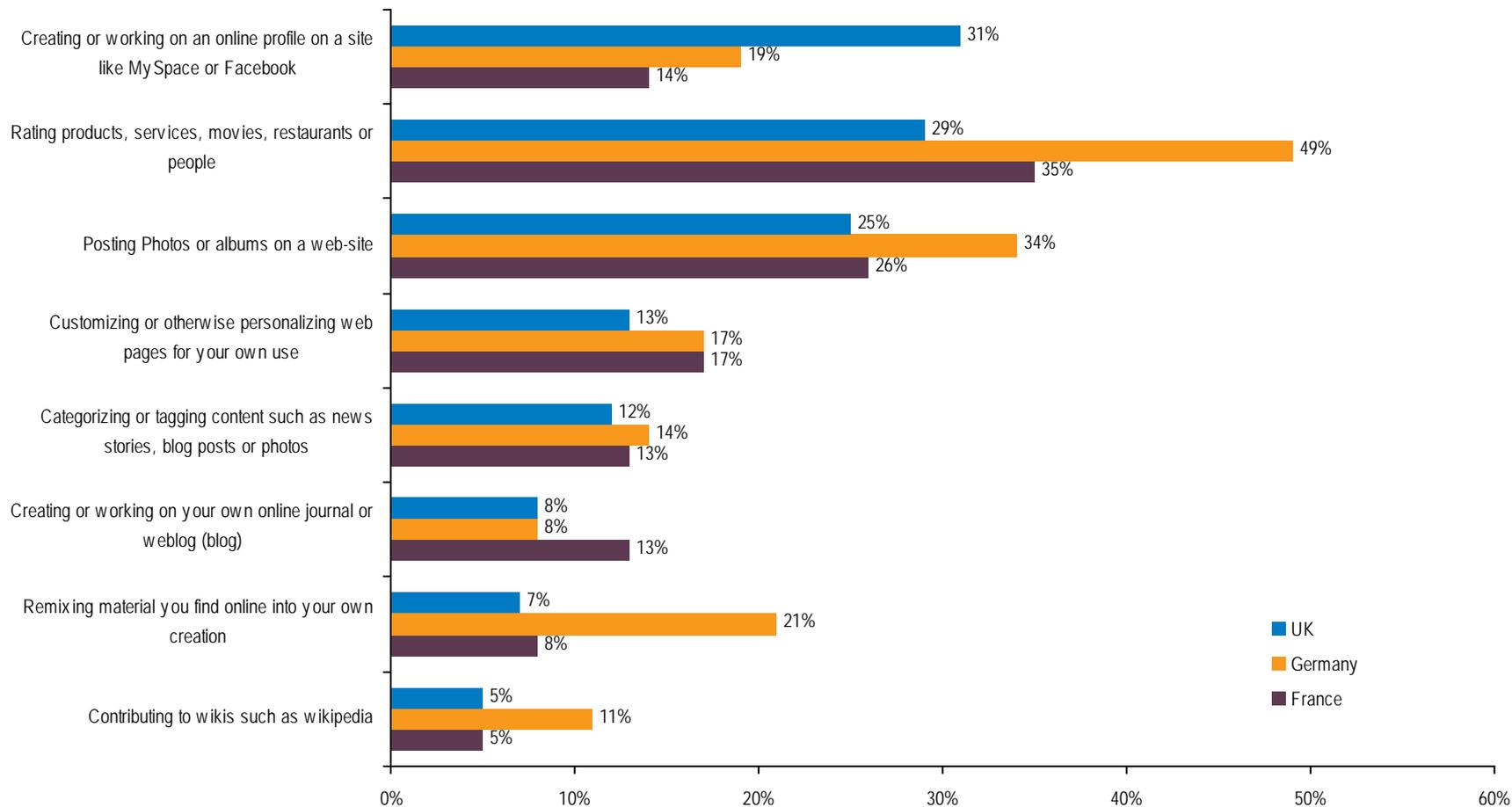
Insight #2- Adoption of Behaviours: What communication behaviours are consumers adopting?



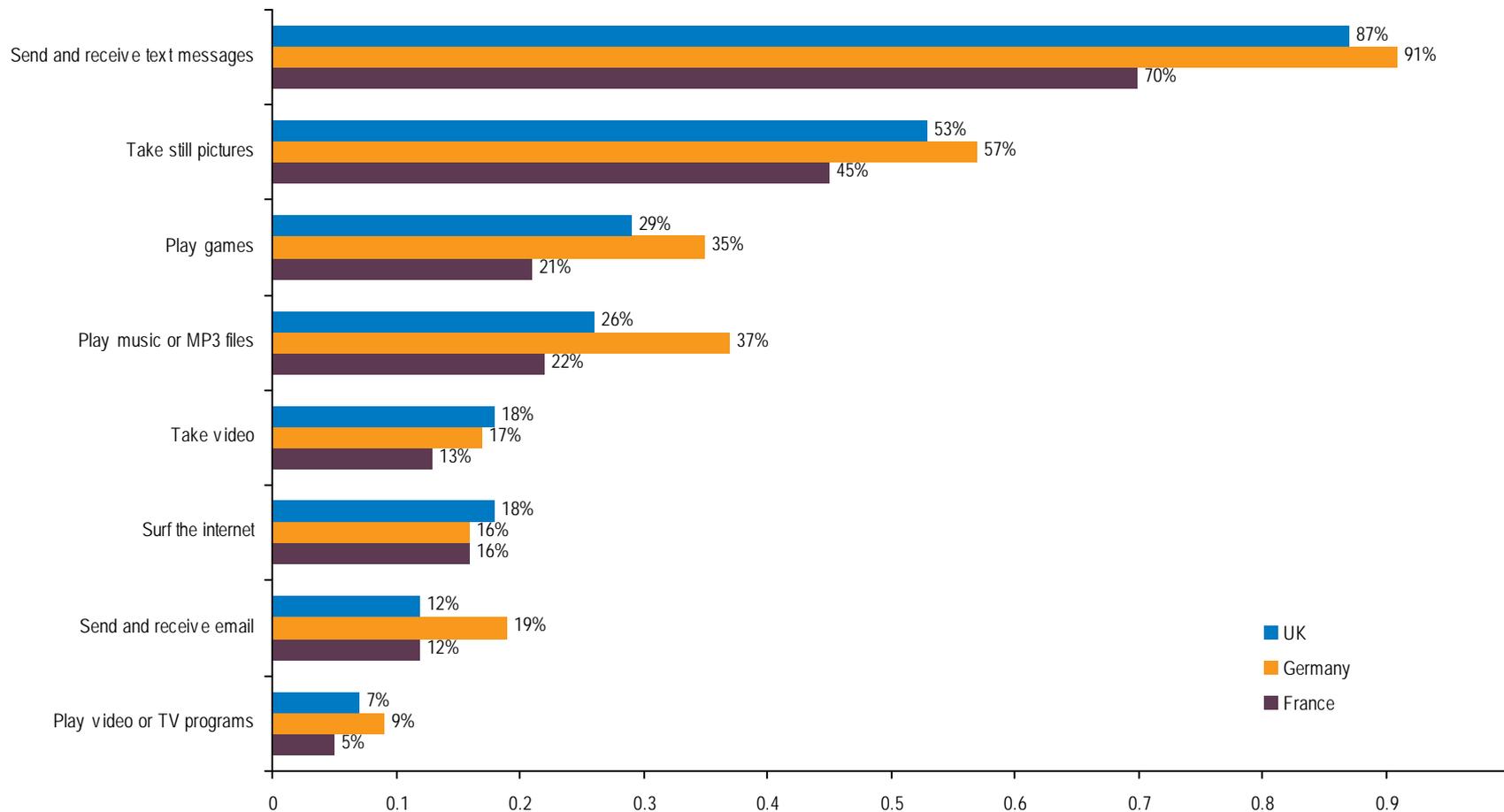
Insight #2- Adoption of Behaviours: What commerce behaviours are consumers adopting?



Insight #2- Adoption of Behaviours: What publishing behaviours are consumers adopting?



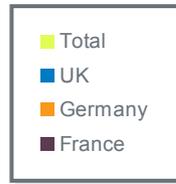
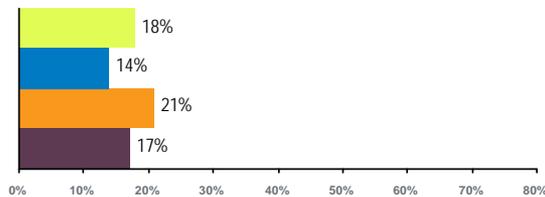
Insight #2- Adoption of Behaviours: What mobility behaviours are consumers adopting?



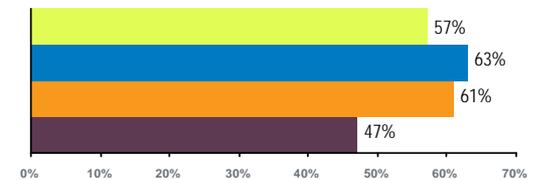
Detailed look at the influence of the internet — Made investments such as stocks or shares

- About 1 in 5 consumers made a decision about investments such as stocks and shares.
- Nearly three fifths of consumers said the internet helped them make that decision – but less than half in France.
- Company websites, search engines, comparison websites, online advertising and comments from other consumers play biggest role in how consumers use the internet to inform themselves for a decision.

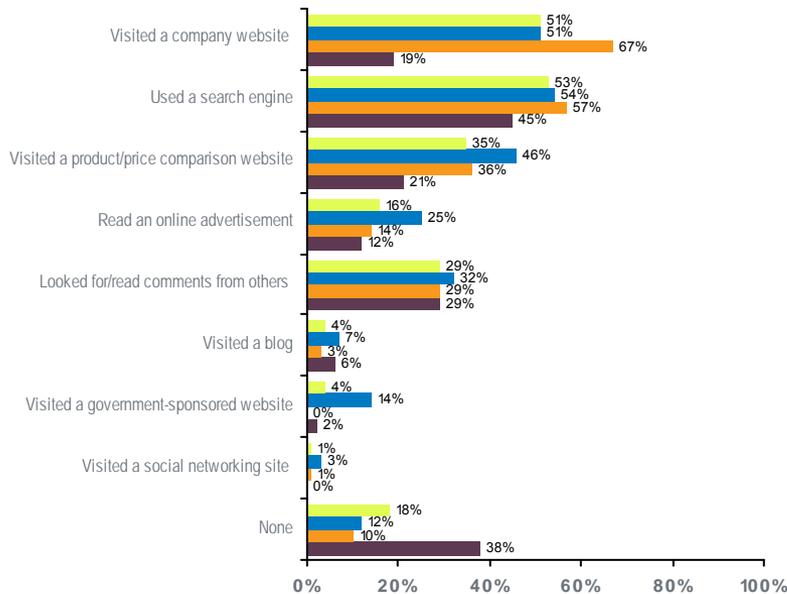
Made a decision in past 12 months?



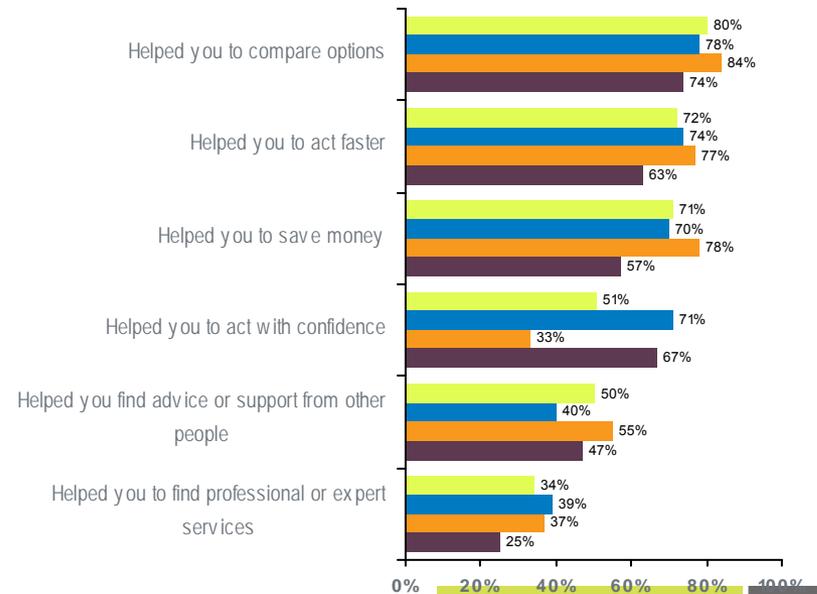
Did the Internet help in the decision?



How did they used the Internet?

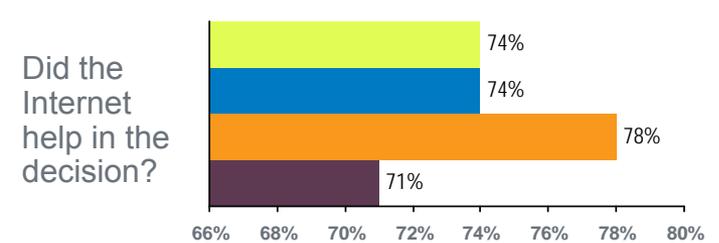
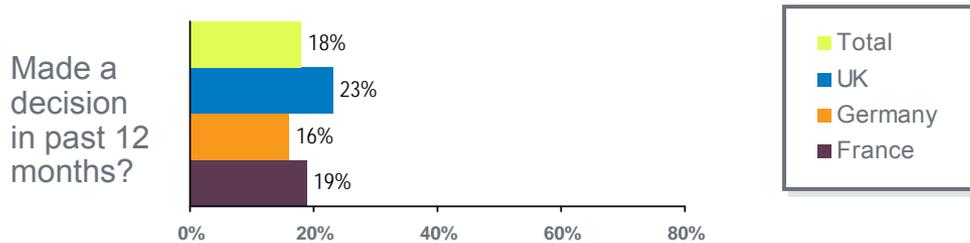


How did the Internet help?

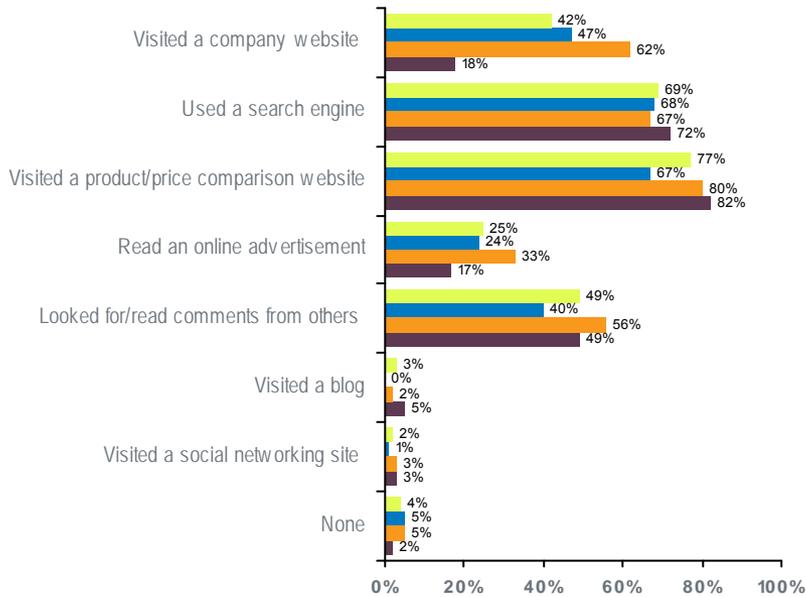


Detailed look at the influence of the internet — Purchased a plasma/LCD TV

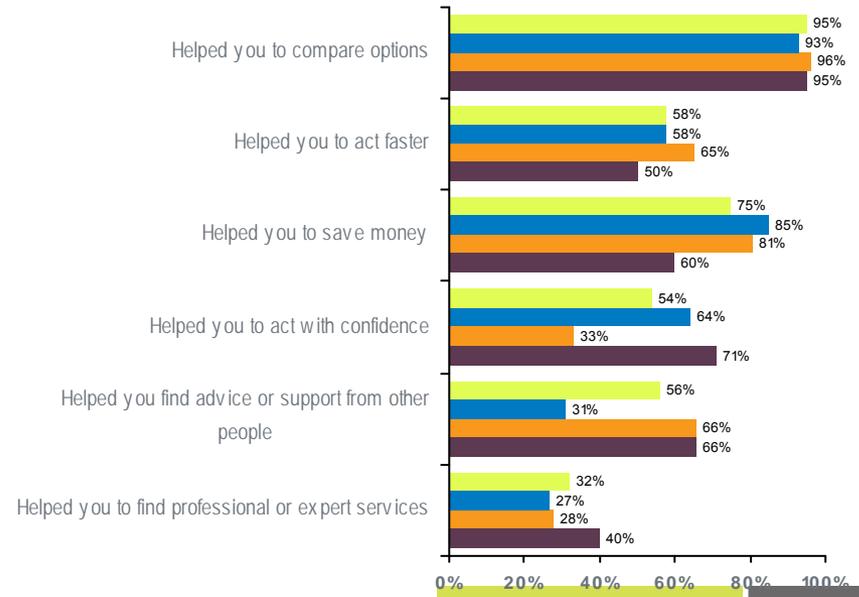
- Only 30% of consumers have campaigned on behalf of a political party.
- Over half of consumers said the internet helped them make a decision, the most saying this in UK and the least in France.



How did they used the Internet?

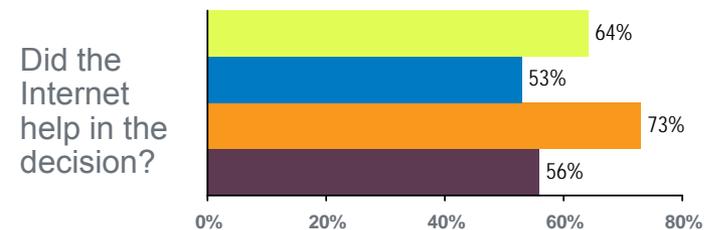
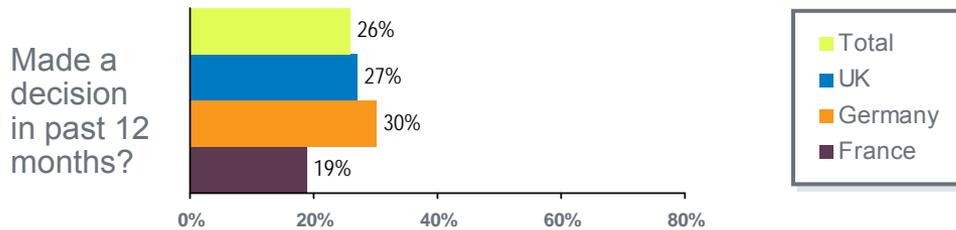


How did the Internet help?

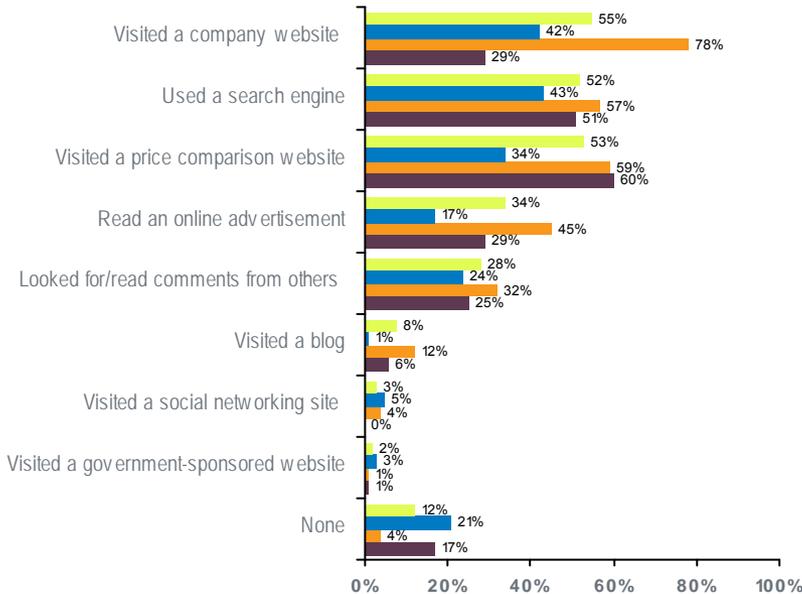


Detailed look at the influence of the internet — Selected a mobile network provider

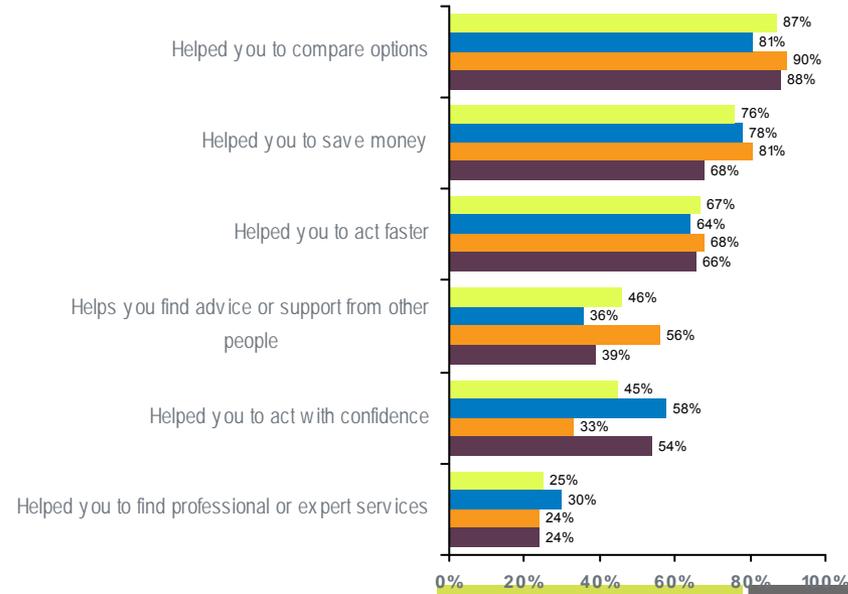
- About 1 in 4 consumers made a decision about a mobile network provider.
- About 2 in 3 consumers said the internet helped them make that decision.
- Company websites, search engines, comparison websites, online advertising and comments from other consumers play biggest role in how consumers use the internet to inform themselves for a decision.



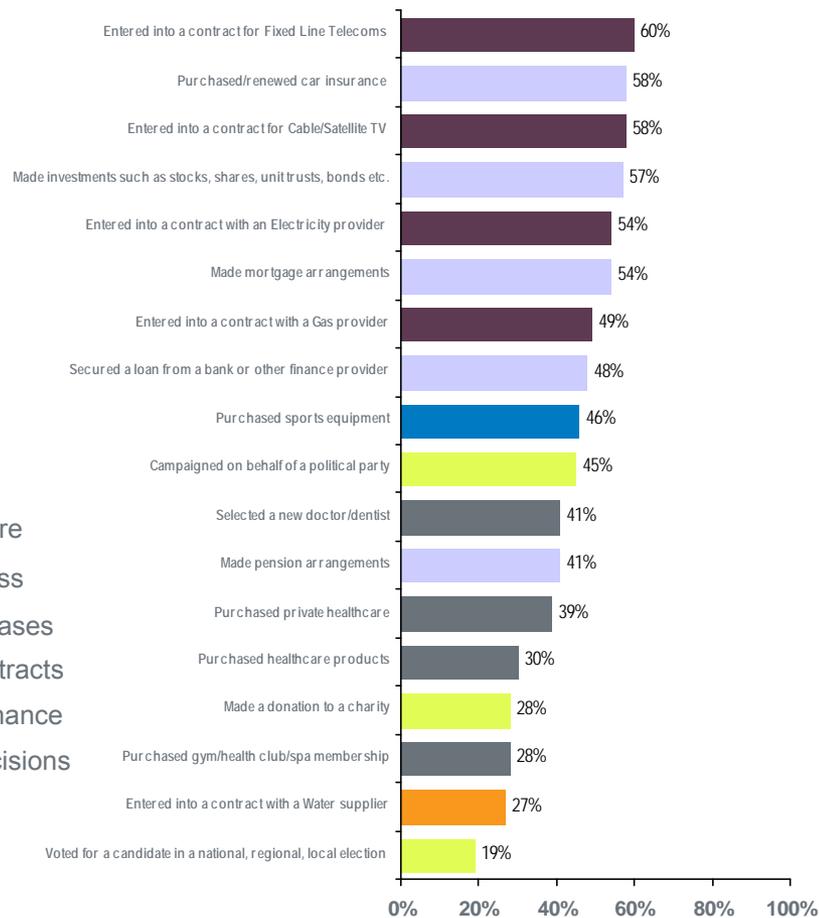
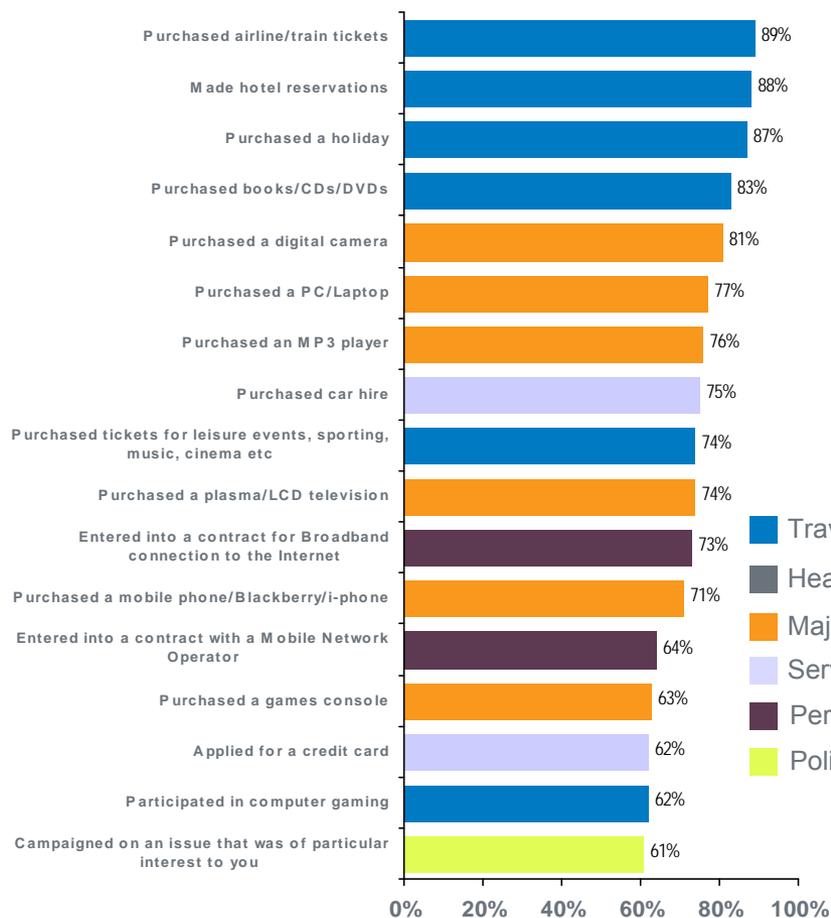
How did they used the Internet?



How did the Internet help?



Insight #3 - Impact on Decision-making: Did the internet help across a broad range of life decisions?

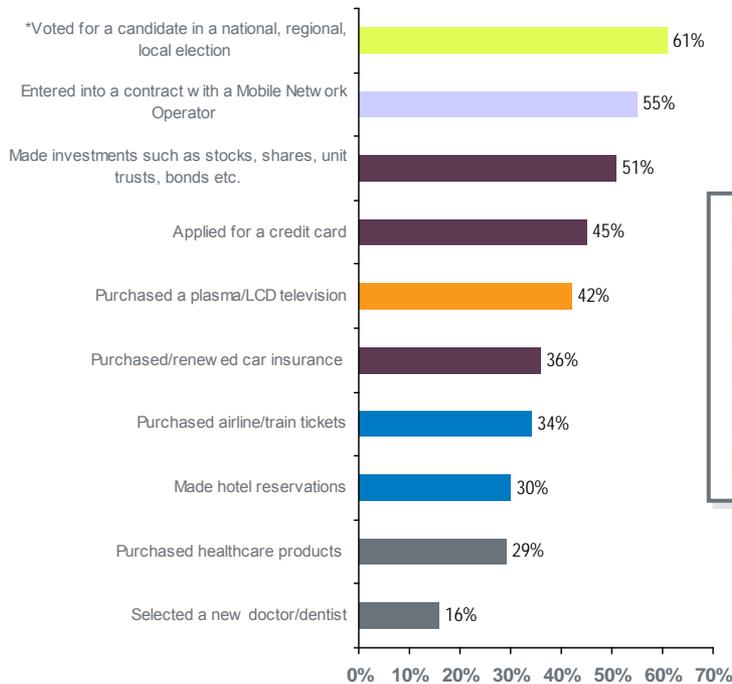


Note: Weighted total across UK, Germany and France.

Insight #3 - Impact on Decision-making: How did the internet help?

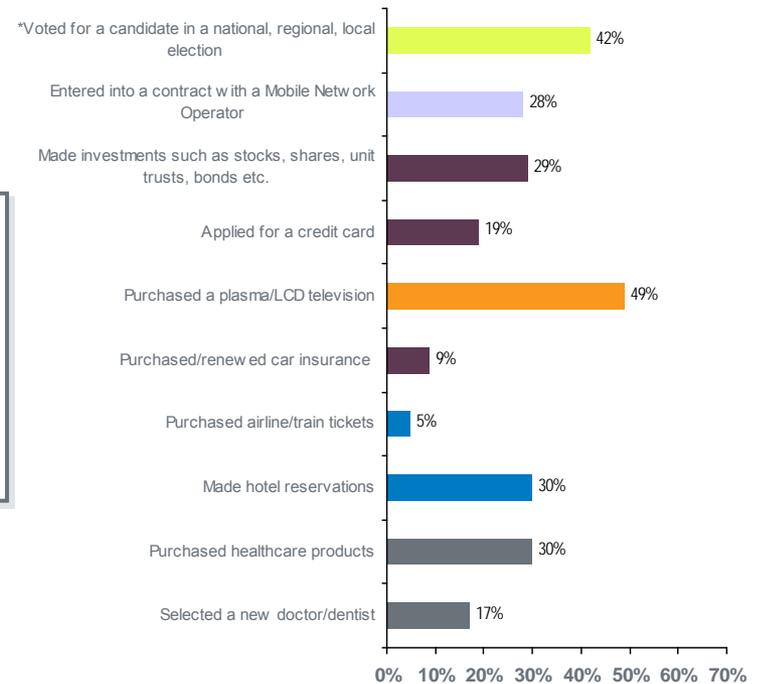
A snapshot of visits to sponsored sites compared to looking for input from other consumers (Web 2.0)

Consumer Visited Company or Politically Sponsored Content

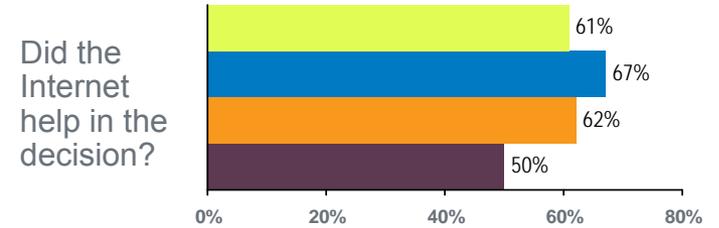
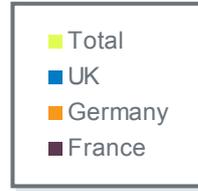
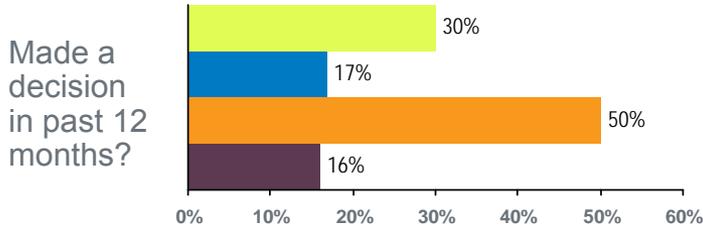


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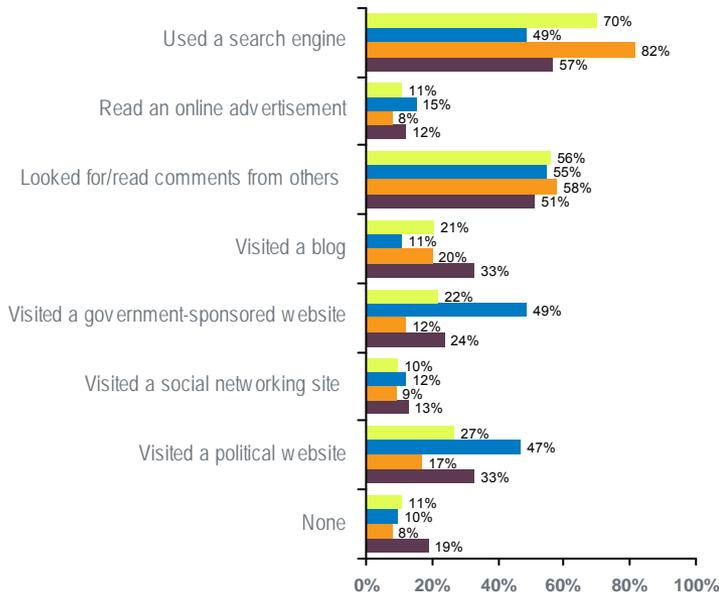
Consumer Looked for Comments and Advice from Other Consumers



Insight #3 - Impact on Decision-making: A quick look at one decision - Campaigning on an issue that was of particular interest to you



How did they used the Internet?



How did the Internet help?

