

Word-of-Mouth the Most Powerful Selling Tool: Nielsen Global Survey

Contributed by AC Nielsen
Monday, 01 October 2007

Traditional Media Advertising Still More Credible Worldwide Than Ads on Search Engines, Web Site Banners and Mobile Phones

Blogs "a reliable source of information for North Americans and Asians

October 2, 2007, Hong Kong "Despite an ever-expanding array of advertising platforms and sources, consumers around the world still place their highest levels of trust in other consumers, according to a recent global Nielsen Internet survey.

Conducted twice-a-year among 26,486 internet users in 47 markets¹ from Europe, Asia Pacific, the Americas and the Middle East, Nielsen most recently surveyed consumers on their attitudes toward thirteen types of advertising " from conventional newspaper and television ads to branded web sites and consumer-generated content.

"Advertisers around the world are able to reach consumers across an increasingly diverse range of media platforms," said David McCallum, global managing director for Nielsen's Customized Research Services. "Even so, the recommendation someone else remains the most trusted sources of information when consumers decide which products and services to buy. And even though new media technologies are playing a role in "globalizing" society, many purchasing decisions are still based on firmly held national and cultural attitudes. Furthermore, given that nothing travels faster than bad news - with estimates that reports of bad experiences outnumber good service reports by as many as 5:1 - the importance of responsive, high quality customer service is yet again highlighted."

The Nielsen survey found Filipinos and Brazilians (67%) to be the most trusting overall of all forms of advertising, while trust among Danes (28%), Italians (32%), Lithuanians (34%) and Germans (35%) were the lowest in the world.

The Nielsen survey also found that while new platforms like the Internet are beginning to catch up with older media in terms of ad revenues, traditional advertising channels continue to retain the public's trust. Ads in newspapers rank second worldwide among all media categories, at 63 percent overall, while magazines, television and radio each ranked above 50 percent. Such advertising scored best in Latin America and most poorly in Eastern Europe, the Middle East and Africa (EEMEA) regions.

Although consumer recommendations are the most credible form of advertising among 78 percent of the study's respondents, Nielsen research found significant national and regional differences regarding this and other mediums. Word of mouth, for example, generates considerable levels of trust across much of Asia Pacific. Seven of the top ten markets that rely most on "recommendations from consumers" are in this region, including Hong Kong (93%) which leads the pack, Taiwan (91%) and Indonesia (89%). At the other end of the global spectrum, Europeans, generally, are least likely to trust what they hear from other consumers, particularly in Denmark (62%) and Italy (64%).

The reliability of consumer opinions posted online " which rated third, at 61 percent overall " also varies throughout the world, scoring highest in North America and Asia, at 66 and 62 percent respectively. Among individual markets, web-based opinions such as Blogs, despite their relatively short history, are most trusted in South Korea (81%) and Taiwan (76%), while scoring lowest, at 35 percent, in Finland. In Hong Kong, consumer opinion posted online ranks 6th among various advertising platforms with much trust by Hong Kong people while there is still a long way to go for text ads on mobile phones.

On the other hand, only consumer-generated media and branded web sites were trusted by more than half of all consumers. Search engine and banner advertising, along with text ads on mobile phones, each scored at the bottom of the list with fewer than 35 percent of total respondents. Regionally, Latin American consumers found these ads most believable, while Europeans trusted them the least.