

Global Survey Shows Seven In Ten People In Full Throes Of Digital Dependency

Contributed by Synovate
Thursday, 31 December 2009

Global market intelligence firm, Synovate, today released data from a global study on media and advertising that showed seven in ten people across 11 markets cannot live without the internet or would miss it a great deal if it were not there, just edging out television (TV) as the world's favourite medium.

Synovate's global executive director of media, Steve Garton, said the firm conducted the study because determining where and when marketers can engage potential customers has never been more challenging.

"Should they join the social media zeitgeist or dabble around the edges in a wait-and-see stance? Is their brand best served by TV, print or radio? And what about the mobile platform?

"Of course the answer is all wrapped up with targeting and ROI, the same as it has always been. To do that well, you simply need to understand your audience... what they like and where their lives intersect with media and brands."

Synovate asked more than 8,600 people across 11 markets for their thoughts on media and advertising.

We're with the (broad) band

Seventy percent of respondents across 11 markets say they either could not live without the internet or would miss it a great deal if it wasn't there, while 69% said the same for TV.

Whose digital love affair is the greatest? Ninety-two percent of Brits, 91% of Spaniards, 90% of Australians and 89% of both Dutch and American respondents rate the internet as completely necessary to their lives.

Garton said the data bore out intuition.

"Of course the internet is more tightly woven into everyday lives in markets with good broadband infrastructure and less so in the developing nations we surveyed. Also borne out by the data was that it was the younger segments of all populations who were more likely to state they could not live without the internet.

"With this in mind, mainstream media like TV, print and radio all clearly remain invaluable to large segments of populations. We're certainly nowhere near a time when advertisers should abandon them. But what does need to happen more and more is targeted advertising."

United Kingdom-based Synovate director Philip Shaw said the internet is embedded in Brit's lives.

"It's not just information and entertainment, it's communication and networking. The internet's multifaceted nature makes it more compelling. This is something that TV cannot match.

"Advertisers are increasingly moving marketing budget online. For now, they need to ensure campaigns are effectively integrated across all media but platform convergence means that we will soon cease to think of TV and the internet as separate things."

Synovate also asked about the importance people attached to their mobile or cell phone.

An incredible 70% of Chinese respondents said they 'can't live without it' and this figure was also high in Hong Kong (59%) and Taiwan (54%).

In all but one of the countries surveyed, a clear majority said they either 'could not live without' their phone or would 'miss it a great deal'. Canada at 46% was the only exception.

Garton said the importance of the phone in people's lives is clear but it's a little different to other media.

"The mobile is not really a media... it is a platform. And as the internet gets more and more accessible via mobile, it's online advertising and content that is delivered. A word of caution though... people feel quite passionately that their phone is more personal than their PC screen."

Reports of print's death exaggerated

In good news for print, the Synovate study showed that many markets - especially Asia and Latin America - remain very attached. In China, a third of all the people surveyed said they could not live without newspapers and 16% said they could not live without magazines.

When you combine the 'can't live without' answers with those who said 'they would miss it a great deal', 55% of Chinese

are big newspaper fans, followed by 53% of both Hong Kong people and Indians.

"Most literate Indians will read a newspaper on a daily basis, from CEOs to rickshaw drivers" said Paru Minocha, executive director of Synovate in India. "Of course that's linked to a less developed broadband infrastructure, so it is fair to say it is the most accessible way of staying connected with the world."

Thirty-five percent of Spanish respondents indicated they would miss newspapers a great deal if they were not there and Antonio Malillos, Brand & Communications director of Synovate Spain attributed this to one major drive in many Spaniards' lives... football.

"The most-read newspapers here are sports newspapers, which largely focus on football, and in many social groups they are almost viewed as required reading. The articles form part of the social life of many Spanish people."

At the other end of the scale, the places that agreed they could easily live without newspapers were Taiwan (40%), the United Kingdom (UK, 34%) and the United States (US, 32%).

Shaw said:

"No one thinks this is because people have stopped valuing the basic commodity of newspapers... the news.

"News is still very important but the availability of it in a physical form is much less important when the same content can be read online - and delivered much faster. The value placed on papers will increase if proposals by newspaper owners to put more online content behind firewalls come to fruition."

Franck Sarrazit, senior vice president and director of Brand & Communications for Synovate in the US also pointed out the timeliness factor. "Newspapers are largely about yesterday. When news is online, 'now-ness' has quickly become established as the new norm. Taking it even further is the advent of Twitter and its ilk. 'Now-ness' becomes instant."

Garton applauded print owners who have embraced online strategies.

"All this shows that publishers that have developed an online presence and maintained brand loyalty are well positioned for the next steps. News is still of vital importance to most people and there will always be a solid market who enjoy feature writing and magazines away from the screen.

"Again, the end-game for media owners and advertisers alike is much more sophisticated targeting, a drive to make advertising as relevant and meaningful as possible for people. Give advertisers their ROI and you still have a good business."

And what about the radio star?

While radio isn't valued as much as TV or the internet, a majority of people 'can't live without it' or would 'miss it a great deal'.

Twenty-three percent in Brazil, 19% in the US and 18% in Australia say they cannot live without it.

Andrew Powell, national director for retail at Synovate in Australia said this is due to time spent in the car and sport.

"This is a media market where people spend more time in our cars and have more opportunities to listen to radio than in other places. Australians like the personality, emotional connection and spontaneity that radio provides. Also being a sporting nation it's a popular way to catch up with the football or cricket score."

Radio is considered less important in Taiwan (51% can easily live without it), China (40%) and Hong Kong (37%).

Managing director of Synovate in Taiwan, Jenny Chang, said radio has stiff competition there.

"Taiwan is a tech-savvy nation. Radio competes with other media-related activities such as the internet, watching TV or DVD/ VCD/ videos and reading newspapers or magazines. In addition, listening to music on the mobile is a favourite activity among young Taiwanese and drive time is usually spent on public transport where people listen to iPods, MP3/4s or mobile-delivered content."

Making ads work harder and better

Garton said: "We all know there is no such thing as mass broadcast media anymore, well certainly not like there was when there were two TV channels and everyone watched at 7:30pm every night. In a world where people are engaged in niche interests, advertisers have to find and engage with them.

"In encouraging signs for behavioural targeting, the survey indicated that a significant number of people are willing to accept it in order to improve their experience with advertising."

Here are some findings:

- More than two-thirds of respondents think there are too many ads on TV and 39% feel there are too many ads on the internet.
- Eighty-seven percent of those surveyed have actively tried to avoid TV and radio advertising by turning off, changing channel or using personal video recorders to fast forward through recorded ads.
- Two-thirds have avoided websites that they feel have intrusive advertising. This figure rose to over 80% in Australia, Canada, Spain and the US.

This may explain why 42% of those interviewed said that they would like it if "websites and TV channels developed technology that monitored the sites you use and the TV channels you watch so they could make the ads you see more relevant to your interests".

Shaw said:

"This form of behavioural targeting is something that many media owners and advertisers would like to be able to implement and our survey indicates that a substantial proportion of people would be willing to accept it."

Of course privacy concerns are an important issue and the majority of those who were open to behavioural targeting said that they would only agree on the understanding that none of the data collected could identify them.

A further 27% of respondents rejected this type of targeting because they were uncomfortable with the idea of data being collected about their online and TV habits.

Sarrazit said:

"The power of the internet is that I can reach the world in one click. But it also works the other way. There is also the fear that my life will be revealed to the world... a little like your suitcase showing up on the conveyor belt at the airport, revealing your life - and underwear! - to strangers."

A substantial proportion, 16%, of those surveyed neither rejected nor endorsed the technology because they were "not interested in changing what ads I see".

Shaw concluded:

"The data suggests that behavioural targeting could be a viable method of improving advertising ROI and the experience for consumers, though the industry needs to educate consumers and ensure that privacy concerns are listened to and addressed."

Indian and Spanish respondents showed the greatest favour towards behavioural targeting with 59% and 56% welcoming it respectively.

Markets that would not like it because of data collection concerns were Canada and Taiwan (both 38%), the UK (36%) and the US (35%).

Canada managing director for Synovate, Rob Myers, emphasised that privacy laws and the protection of personal information are important to Canadians.

"The issue of 'Big Brother' watching is becoming more prevalent as customisation technology grows and people are uncertain about the end game."

By far the least keen market for any reason was the Netherlands, where only 21% were open to the idea.

Show me the money (and then you can show me your ad)

Synovate's survey probed attitudes to advertising across various media with, perhaps the biggest surprise, that more than four in ten of all respondents would accept more ads on TV and the internet... if you paid them.

When it comes to 'too much advertising', TV is far and away the biggest offender. Sixty-eight percent tell us it is too much. The figures for all other media are around half this level, except for cinema where only a quarter feel there are too many ads.

Spain (88%) and the Netherlands (82%) are the markets where the most people think there are too many ads on TV, with respondents in Brazil (57%), Taiwan (53%) and especially Hong Kong (38%) feeling the number of TV ads is much less of a problem. Americans are most likely to feel they see too many internet ads (56%) and to say there are too many ads on the radio (52%).

Attitudes to advertising levels on mobile / cell phones vary a lot by market with around half of respondents in Hong Kong and Taiwan saying there are too many and 44% agreeing in China and 42% in Spain.

Hong Kong-based Garton observed:

"From 'street level', Hong Kong people live in a city with commercial sensurround and no escape... they are bombarded with many ads already."

By contrast, only a quarter of Australian, Brazilian, British and American respondents felt there were too many phone ads and it was as low as 16% in Canada and 13% in the Netherlands.

Garton said the intriguing finding came, not with the number of ads on various media, but with who would be willing to see more of them.

"Despite large majorities of people in every market (except Hong Kong and Taiwan) saying there are too many ads on TV, 42% of respondents would be willing to accept even more ads in exchange for a discount on their subscription bill.

"This model is an interesting pursuit for the industry. If it could be linked with targeted, more relevant advertising and the whole advertising experience became better for viewers, it may just drive revenues across an increasingly fragmented audience."

This idea was most popular in Spain (57%), the US (52%) and the UK (50%).

Globally, almost exactly the same proportion (41%) would be willing to accept more internet advertising if they received a discount on their internet package. Spanish respondents (70%) were again the most enthusiastic, with more than half of those in Australia, China, UK and US also agreeing.

The figure for phones was lower, with just 31% of respondents willing to accept more ads for a cheaper bill. Again, Spain (58%) gave the highest endorsement followed by China and Brazil (both 42%).

"This is partly because phones are much more personal for people. They see them as an extension of themselves and advertisers need to tread very lightly here," said Garton. In general, across all media, people in the Netherlands were the least willing to accept more ads for cash.

My brand, my way

'The consumer is in control' has been the mantra for some time now and brands need to work harder to get the nod. The survey showed some encouraging signs that people are more than willing to engage with the brands that get it right.

More than 70% of respondents have discussed ads they have seen with friends, a further 43% have searched for an ad online (e.g. on YouTube) and 38% have shared links with friends. Nearly three in ten across 11 markets have promoted a brand or campaign on their social networking page or become a fan of a brand.

Some of the biggest increases in online brand engagement behaviour over the past year can be found across Asia, especially in China where 53% have searched for an ad online, 40% have shared links to ads and 35% have promoted a brand via social networking.

Synovate's Beijing-based research director for media, Jessica Liu said:

"Asians quickly grasp the potential of new technology and enjoy sharing it with their peers. This online engagement is both social and commercial - and the boundaries cross, making it an ideal environment for clever brands to sincerely communicate with their customers."

Least likely to engage in many of these activities are the Dutch respondents. Robert Schueler, client service director for Synovate in the Netherlands attributed this to priorities.

"Dutch people do not rate advertising as particularly important in their lives compared to social and career pursuits. It's not that they don't enjoy a good ad, it's simply that it would have to be extremely funny or relevant to have it even occur to someone to share it with others."

Shaw said:

"The consumer is becoming increasingly in control of what brand communications they are exposed to. TV and online technologies mean that they can increasingly self-select, opt out and choose which branded communications to engage with. This means brands need to work harder to cut through the clutter and deliver communications and experiences that people want to be part of.

"Brands know that to be successful they must engage, listen to and build two-way relationships with consumers. Our survey shows that when brands get it right, consumers are more than willing to engage."

Curiosities

- The biggest cinema lovers are the Spaniards (43% either could not live without it or would miss it a great deal if it were not there), followed by Brazilians (33%) and the Chinese (32%).

- Some people actively want more ads... to illustrate, 14% of Chinese and 11% of Brazilians would be happier if there were more ads in their magazines.
- In a boost for targeted or behavioural advertising, only 16% are not interested at all in changing the ads that they see.
- More American respondents (87%) actively take measures to avoid websites with intrusive advertising than any other group of respondents (the overall figure is 67%).

About the Synovate In:fact global study on media and advertising

This In:fact survey on advertising was conducted in September 2009, surveying more than 8,600 respondents across 11 markets – Australia, Brazil, Canada, China, Hong Kong, India, the Netherlands, Spain, Taiwan, the UK and the US.

About Synovate

Synovate, the market research arm of Aegis Group plc, generates consumer insights that drive competitive marketing solutions. The network provides clients with cohesive global support and a comprehensive suite of research solutions. Synovate employs over 6,400 staff across 62 countries.

For more information on Synovate visit www.synovate.com .

Hong Kong - 27 November 2009