



Civicscience Insight Report

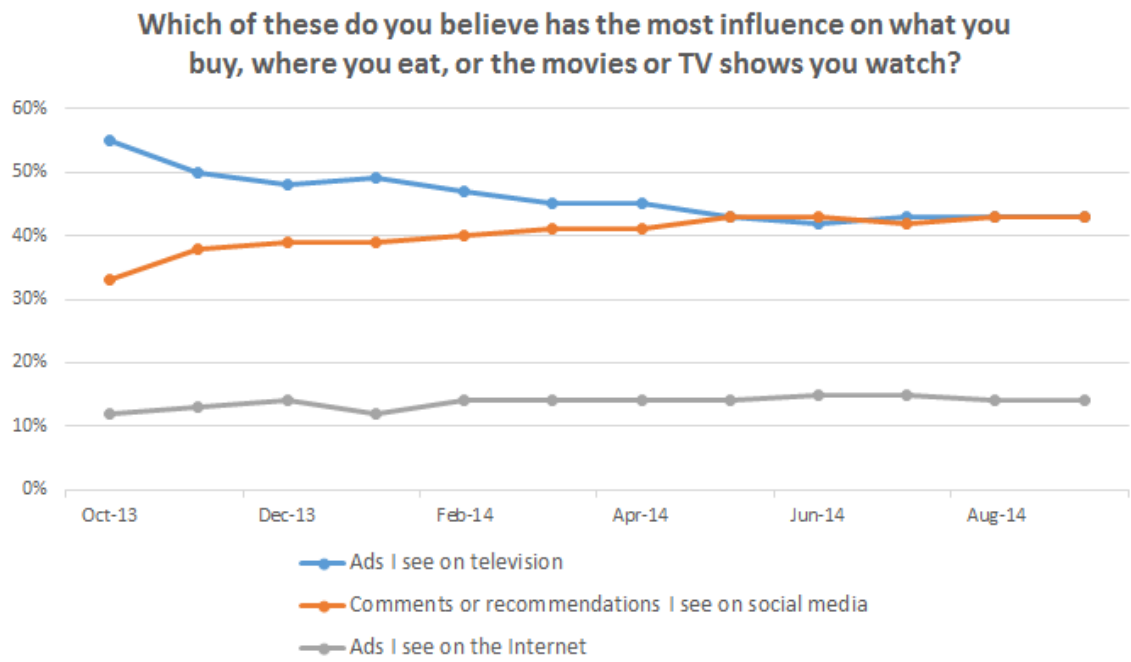
Social Media Now Equals TV Advertising in Influence Power on Consumption Decisions

Over the past year, a very notable trend in Civicscience’s data has become apparent with regard to which of these three levers are most influencing the buying and consumption decisions of U.S. adults: **advertising on television, advertising on the Internet, or social media “chatter”** (comments or recommendations from others).

We see consumers in aggregate are now equally influenced the most by TV ads and social media chatter, each capturing 43% of respondents in both August 2014 and September 2014 – compared to a 22-point difference in September 2013 when 55% of consumers said TV ads and 33% said social media chatter. The big loser here is television advertising, which dropped 12% in influence in the past 13 months. Internet ad influence rose slightly from 12% to 14% over the same time period:

October 16, 2014: This Insight Report from Civicscience examines:

- The trendline of what U.S. adult consumers say is most influencing their purchasing and consumption decisions.
- The rapid power shift toward social media.
- Segmentation research analysis of who is influenced the most by what.



Source: Civicscience, Inc., September 2014. Poll of 60,099 U.S. adult respondents from 9/30/2013 to 9/30/2014, weighted for U.S. census representativeness for gender and age, 18 and older. Margin +/- 1%. Numbers may not sum to 100% due to rounding.



Civicscience Insight Report (continued)

Civicscience collected this data via opt-in, non-incented web-based polls distributed across hundreds of diverse publisher websites, which one might argue could present some slight bias towards web-wired consumers; however this mechanism for our collection did not change during this 13-month analysis period nor did the demographic make-up of respondents in aggregate. Each month in this study collected a sample size of approximately 5,000-6,000, depending on the month.

Despite this stable collection methodology and a largely unchanging overall respondent profile over this time period, we see a very dramatic change in the percentage of U.S. adults in what they say is most influential of the three provided options. Market-maven adoption attributes appear to have gone more mainstream – as just as many consumers feel that social media chatter most influences their consumption decisions as those who feel the same about TV advertising.

The following pages provide more in-depth analysis of the consumer segments based on what influence option they selected, giving advertisers and markets greater insight into the personas and attributes of these aggregate U.S. adult respondents. Let’s start with the following table, which summarizes “personas” for each of the three segments, based on characteristics more likely to be seen in the data when compared to the other segments:

Personas Summary: More Likely Characteristics Based on What Influences Them the Most

“Ads I see on television”	“Ads I see on the Internet”	“Comments or recommendations I see on social media”
No gender difference 45+ years old Grandparents Prefers live TV Watches 4+ hours of TV/day Watches 10+ hours of news on TV/week Communicates most via phone Most shopping done in stores Eats most often at fast-food chains and casual dining chains Drives American-made car	Somewhat more male 18-29 years old Earns <\$25,000 or \$150,000+ per year Non-parent or parent of young children Prefers online streaming of TV content Follows tech and electronics trends/news “very closely” Daily video game players Does more online shopping than others Views products in stores then buys online from different retailer Loves to shop on Amazon.com Buys organic foods often and more informed about GMOs Drives German-made car	Slightly more female 18-29 years old Earns <\$35,000 per year Non-parent or parent of young children Prefers DVR viewing of TV content Smart-phone user Addicted to digital devices Active on Facebook and Twitter Communicates most via texting/SMS Eats most often at fast casual chains or independent/locally owned restaurants Drives Japanese-made car

Let’s now review a more detailed explanation of the data that led to those summarized personas.



CivicScience Insight Report (continued)

By Gender:

- While TV ad influence on consumption decisions is about the same across gender lines, Internet ad influence is 33% more likely to be selected by men, and social media chatter slightly more likely (a 10% lift) to influence women the most.

By Age:

- Those most likely to say they are influenced by TV ads are those aged 45 and older, comprising 65% of total respondents who said this.
- 58% of 18-29 year olds are most influenced by social media chatter, compared to 41% of 30-54 year olds and 29% of those 55 and older.
- Influence by ads on the Internet is more likely chosen by 18-24 year olds, followed by 25-29 year olds, with the rest of the age groups about equal in selecting this influence option.

Income:

- Income had very little effect on which option was most influential, except among those making more than \$150,000 a year in annual household income: when it comes to ads on the Internet, they are somewhat more likely than the other income groups to select this option.

Parental Status:

- Non-parents (also a fairly big proxy for age) are only 22% more likely than parents to be most influenced by social media chatter but 58% more likely than grandparents. This shows a sizable generation gap between grandparents and the generations that follows them.
- Among parents: Those influenced the most by Internet ads or social media chatter are more likely to have children under the age of 16 than those influenced most by TV ads.
- Grandparents are 21% more likely than parents and 63% more than non-parents to be influenced by TV ads.

TV Viewing:

- No huge surprise is that those who are most influenced by TV ads tend to watch more hours of TV each day – in fact, they’re almost 2X more likely to watch 4+ hours per day compared to those most influenced by Internet ads. Those influenced the most by Internet ads watch the least amount of TV on a daily basis:

Hours of TV Viewing	Influenced most by TV ads	Influenced most by Internet ads	Influenced most by social media chatter
6+ hours per day	12%	6%	6%
4-6 hours per day	17%	9%	10%
2-4 hours per day	35%	24%	26%
1-2 hours per day	25%	25%	27%
Less than 1 hour per day	9%	21%	19%
Never watches TV	2%	16%	11%

Note: Columns may not total 100% due to rounding.



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- The consumption influences of both social media chatter and Internet ads correlate to much lower likelihood of watching news programming on TV: Those respondents are about 3X more likely than those influenced the most by TV ads to say they watch ZERO hours of TV news per week. Conversely, those most influenced by TV ads are 2X more likely to watch 10+ hours of news per week.
- When asked about the primary way they watch TV, respondents who said they favor “Live” TV are 57% more likely to say they’re most influenced by TV ads vs. social media chatter. DVR viewers are 27% more likely to be influenced by social media chatter vs. TV ads, and those who most often view TV via online streaming are 244% more likely to say their consumption choices are influenced the most by Internet ads or social media chatter as opposed to TV ads.

Tech Savviness:

- Self-described “active” Facebook users are 94% more likely to be influenced by social media chatter (makes sense) the most vs. TV ads and 125% more likely than Internet ads. Similarly, “active” Twitter users are 165% more likely to pick social media chatter’s influence over TV ads and 130% more likely than Internet ads.
- Smart-phone users are 26% more likely to pick social media chatter vs. TV ads.
- Those who say they follow trends and current events in electronics and technology “very closely” are 130% more likely to say they are most influenced by Internet ads vs. TV ads (but only 17% more likely than those influenced the most by social media chatter).
- Those who say “yes” and “somewhat” to digital device addiction are more likely influenced by social media vs. other influences. For example, those who say “yes” to digital device addiction are 104% more likely to say social media vs. TV ads influences their consumption decisions.
- Daily video game players are more likely to say that Internet ads influence them the most, and they are 39% more likely to pick this option over social media chatter and 121% more likely over TV ads.
- When it comes to the most favored method to communicate with family and friends, those who are most influenced by TV ads and Internet ads prefer phone calls, while those most influenced by social media are more likely to opt for texting or SMS.

Shopping:

- Those who say they’re most influenced in consumption decisions do more online shopping than those most influenced by TV ads and slightly more than those influenced by social media chatter:

How much of your purchases are made online? (non-grocery and non-pharmacy)	Influenced most by TV ads	Influenced most by Internet ads	Influenced most by social media chatter
All or almost all online	5%	12%	9%
Majority online	9%	16%	15%
Half online, half in stores	16%	23%	23%
Majority in stores	37%	30%	30%
All or almost all in stores	34%	20%	23%

Note: Columns may not total 100% due to rounding.



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- Those who say they “always” seek out online reviews for items they want to purchase are more likely to have their consumption decisions influenced the most by social media and online ads.
- Those who say they often browse a product in stores then make the purchase from a different retailer online are more likely to be influenced by social media: they are 40% more likely to say this than those influenced by Internet ads at 163% more likely than those influenced by TV ads. They are also more likely to do this across multiple online retailer sites.
- The biggest fans of shopping on Amazon.com are more likely to be influenced by Internet ads than other influences.

Lifestyle Attributes:

- Organic food fans – who say they buy organic “every chance I get” – are more likely to be influenced in their consumption decisions by Internet ads: they’re 17% more likely to pick this than social media chatter and 93% more than TV ads.
- Those who are most informed about GMO (genetically modified organism) foods are also more likely to be influenced by Internet ads over other influence options (2X more than TV ads).
- Those who primarily drive American-made cars are more likely to be influenced by TV ads; German-made cars by Internet ads, and Japanese-made cars by social media chatter.
- Those who eat most often at fast food/quick service or casual dining chains are more likely to be influenced by TV ads; those who dine most at fast casual chains or independent/locally-owned establishments tend to be influenced more by social media chatter; and those who dine most frequently at upscale restaurants are more likely influenced by Internet ads.

Summary

It makes sense that “referrals” and trusted recommendations would carry more weight than what consumers can easily detect as paid or sponsored content, and the data reflect that consumers indeed place strong value there. Combine that with the changing landscape of how we entertain ourselves: social content sites and apps, online content, video gaming, DVRs and TV on-demand, e-readers, tablet computers, and even texting make up the new tech-laden competition chipping away at the long-reigning world of live television broadcasting. There are simply fewer opportunities to see live TV advertising in this new landscape given the finite number of hours in a day.

But rather than panic, advertisers should also think about another angle to this data: There is the potential that some consumers are more comfortable saying that their social media feeds influence them more than TV ads, because they don’t want to admit to being persuaded by paid promotions.

This data should be eye-opening to the world of advertising and should serve as informative to the strategy and tactics evaluated for reaching consumers, given all of these dynamics. More social-friendly creative approaches are likely to resonate better with the two “online” influence segments featured in this report, while traditional live TV advertising still remains a strong avenue for reaching older and generally mainstream audiences.



CivicScience Insight Report (continued)

About the CivicScience Methodology:

CivicScience collects real-time consumer research data via polling applications that run on hundreds of U.S. publisher websites, cycling through thousands of active questions on any given day. Respondents are 100% opt-in with no incentives or compensation; they answer just for fun and are kept anonymous, allowing for greatly reduced bias and higher levels of engagement. The 60,099 respondents for this report were weighted for U.S. census representativeness for gender and age, 18 years and older, and data was collected from September 30, 2013 through September 30, 2014. Using its technology, CivicScience builds deep psychographic profiles of these anonymous respondents over time, providing valuable consumer sentiment data to the decision makers who care. The CivicScience methodology has been validated by a team of academic leaders and by independent consulting firms. CivicScience currently has more than 28 million anonymous consumer profiles stored, growing daily.

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