



Understanding
the role of
the Internet
in the lives of
consumers

2012 Digital Influence Index
Annual Global Study

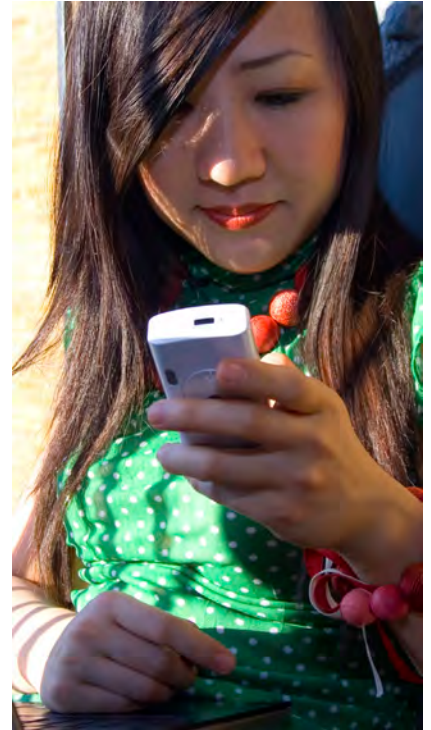
Executive Summary

The annual global Digital Influence Index takes a look not only at what consumers are doing online but also whom they're interacting with, the transactions they're completing, the technologies they're using to navigate the Web and the collective growing influence of the Internet on consumer behavior.

These are critical questions. This study offers the answers.

The Digital Influence Index measures several key aspects of consumers' Internet usage, from media consumption patterns, to the degree of adoption of various digital behaviors, to involvement in online social networking. But the study goes beyond online behaviors to assess the Internet's growing influence on consumer decision-making – from purchasing goods and services to making choices about politics, healthcare and finance.

With the addition of India, this third edition of the study now includes eight countries. The other countries are Canada, China, France, Germany, Japan, the United Kingdom and the United States. Collectively, these eight nations represent **more than half of the world's online population** (Source: Nielsen Online) and more than 60 percent of the world's gross domestic product (GDP) (Source: World Bank).



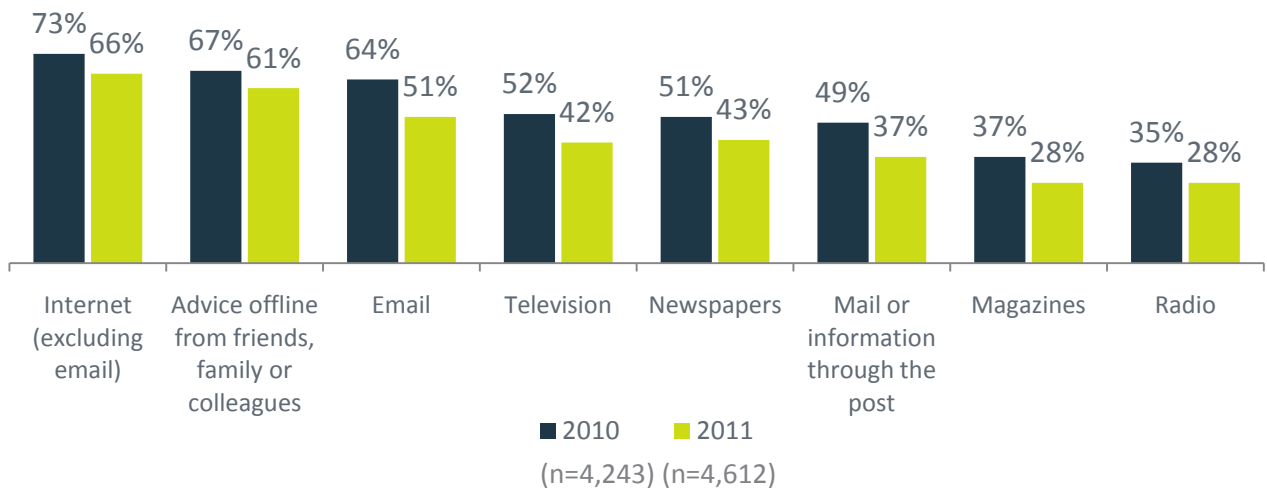
“The Internet is by far the most important medium in the lives of consumers in all countries studied ... and far more important in China.”

Key Findings

Listed below are a few of the key findings from the 2012 study.

1. **The Internet Trumps Friends and Family When It Comes to Influence.**

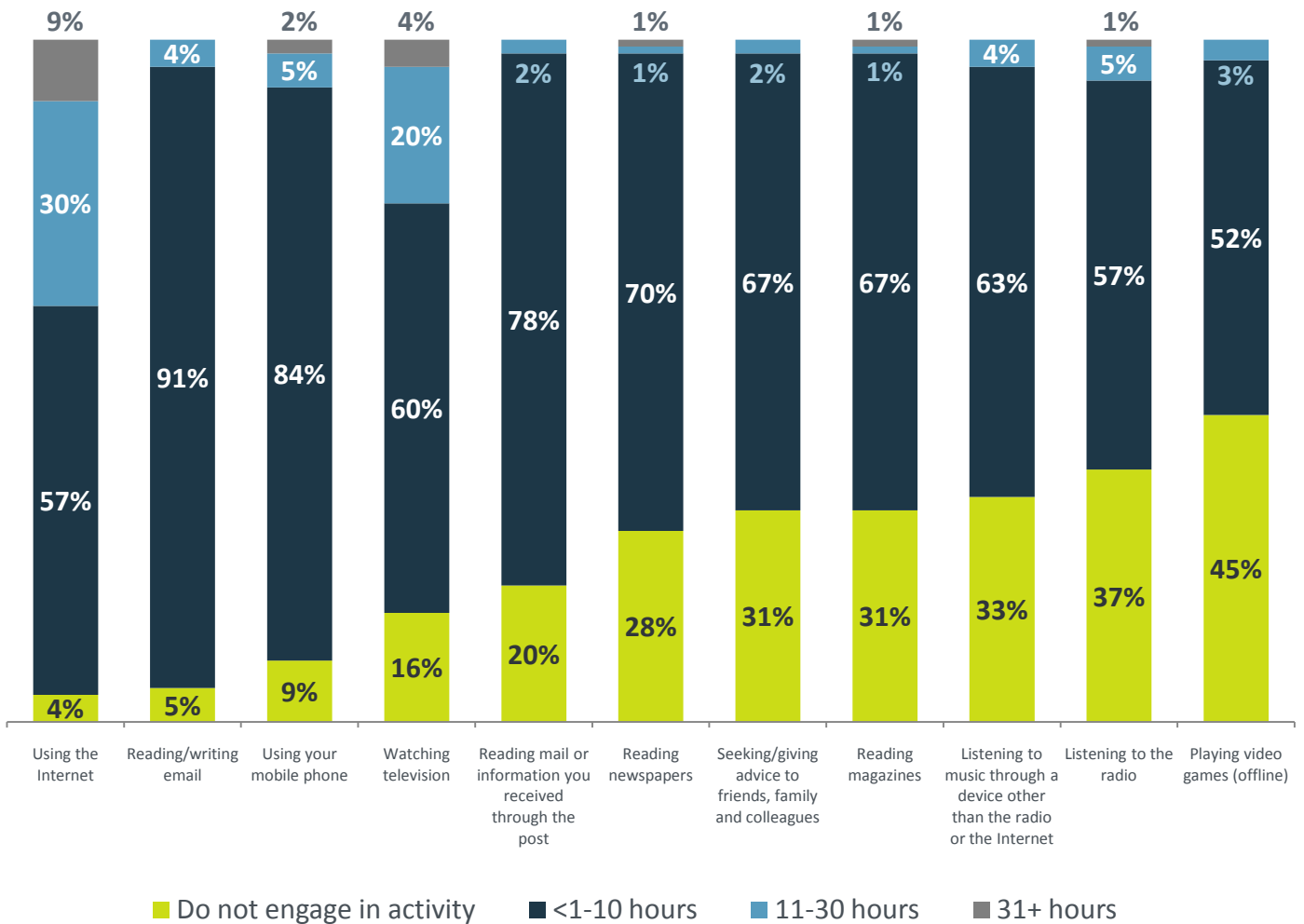
For the first time since this survey was fielded, consumers in Canada reported that the Internet is now more influential in helping them make purchase decisions than family, friends and co-workers. In the U.S., the Internet is of nearly equal importance to advice from friends, family or colleagues (46 to 47 percent, respectively). The largest gaps were found in China (79 percent found the Internet very important compared with 70 percent from friends and family), India (79 percent found the Internet very important to 60 percent from friends and family), and Japan (58 percent to 48 percent). More than half the time, the anonymity of the Internet holds greater sway with consumers in influencing purchasing and other decisions – greater even than the opinions of family, friends and co-workers.



The degree of influence varies by topic. The Internet is most influential when it comes to making purchase decisions about travel and leisure (61 percent), consumer electronics (52 percent), and personal finances (43 percent) – all categories that are significantly more important than advice from family, friends or co-workers.

2. Not-So-Prime Time: TV Is an Increasingly Distant Second to the Web.

Time spent on the Internet outpaces the No. 2 activity – watching television – by a widening margin (on average, 13.7 hours per week on the Internet vs. 9.8 hours watching TV). The gap is even wider in China, where consumers watch television an average of only 5.9 hours per week compared with 15.1 hours per week for Internet usage. The third most popular form of media consumption – at an average of 4.7 hours per week – is using a mobile device. We anticipate that in coming years, the time consumers spend on their mobile devices is likely to surpass their Internet use on a computer.



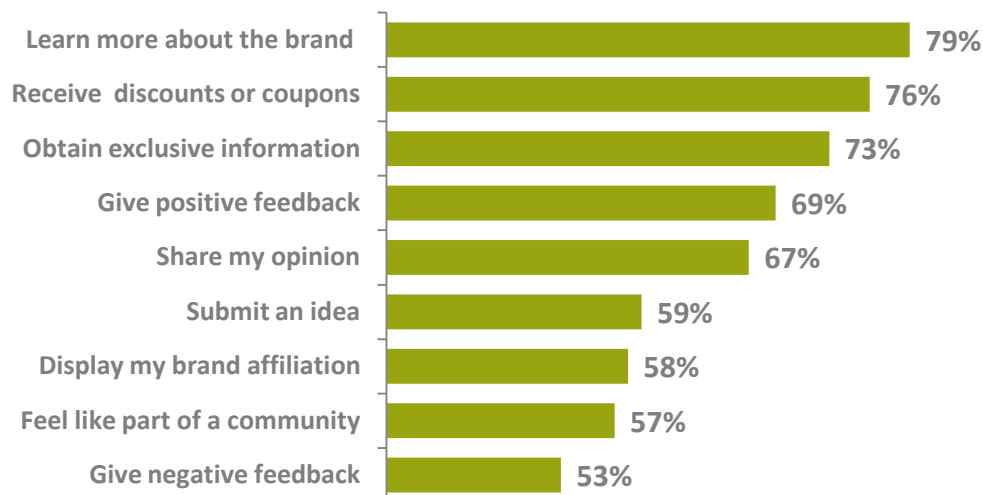
3. When Consumers “Like” Brands, It’s Not Just About Discounts.

Contrary to conventional wisdom, consumers are looking for more than discounts when they follow a company or brand through social media. The top reasons vary widely by country. The reason cited by 79 percent of respondents was to learn more about the brand, product or service (this was the leading answer in China, Germany and India). Receiving brand discounts or coupons came in at 76 percent and was the top choice in Canada, Japan and the United States. Obtaining exclusive information was the third overall choice at 73 percent. This was the leading reason cited by French, Indian (tied for first with learning about a brand) and British consumers.

Other overall reasons for “liking” companies: share my opinion (67 percent); submit an idea (59 percent); display my brand affiliation to others in my network (58 percent); feel like part of a community (57 percent); and give the brand negative feedback (53 percent).

Slightly less than half of all consumers (42 percent) report that they currently follow, like or “friend” companies on a social networking site. On average, those consumers follow an average of nine companies or brands. British consumers follow the highest number (14), while Chinese consumers follow the fewest (seven).

Why Consumers Follow Brands on Social Networks



4. **Want to Influence Consumers Online? Reach Them on the Go.**

Nearly two-thirds of consumers now use their mobile/smartphones to obtain information about products, brands or destinations at least three to four days a week. With smartphone ownership reaching new levels (38 percent of all U.S. mobile users – [comScore research](#) Nov. 4, 2011) the pressure is clearly on for companies to provide an easy-to-access platform that engages consumers through mobile technologies.

Some 80 percent of smartphone owners have location-based services (GPS) on their mobile phones. Currently, half of these consumers use location-based services that provide offers, discounts and specials based on their current location – and more than three-quarters (78 percent) of those consumers find these services useful. Chinese consumers lead the way, with nearly four out of five consumers expressing interest in receiving communication from companies through a smartphone using location-based services.

5. **Group Buying Power Gaining in Popularity.**

Two-thirds of respondents were aware of such discount services as Groupon and LivingSocial, and more than 60 percent of those consumers aren't just aware of these services, they are also members. The highest conversion rates were in China, India and Japan. And the future of these services looks positive, as 51 percent of consumers who know about them say they plan to use them more often in the coming year. Chinese and Indian consumers seem to offer the most significant growth potential, with 70 percent and 57 percent, respectively, indicating they are likely to use these services more often.

Expected Future Use of Discount Services

<i>(All numbers are percents)</i>	Aware of service	Subscribe to service	Likely use more	Likely no change	Likely use less
TOTAL	67	62	51	37	12
Canada	62	52	37	55	8
China	82	73	70	15	15
France	61	39	23	69	8
Germany	41	47	20	72	8
India	35	69	57	8	35
Japan	72	65	30	59	10
U.K.	58	55	32	59	8
U.S.	62	42	32	64	4

All respondents, base varies by country

Respondents who are aware of service, base varies by country

6. **Bloggers Beware: Consumers' Trust Is on the Wane.**

Consumer trust in bloggers remained low in 2011, with only 26 percent indicating that they trusted the advice and opinions found in blogs.

Additionally, 86 percent of consumers question the truthfulness of a post written by a blogger who has received a free sample in exchange for writing a review. Although consumers continue to rely heavily on the Internet to inform purchasing decisions, bloggers are struggling to achieve the credibility of other online sources. We ponder whether a credible third party can provide the level of authority previously reserved for journalists in traditional media. Credible bloggers clearly exist, as indicated by the massive following some of them enjoy.

However, the sheer number of bloggers online highlights the need for a way to differentiate and portray credibility. China (40%) and India

(36%) reflected the countries with the highest trust in blogs from the study.

7. **Chinese Internet Use: The Explosion Continues.**

The total number of Chinese Internet users increased significantly again in 2011 – now reaching more than 550 million individuals – up from 508 million in 2010 (source: [China Internet Watch Research](#)). Due to the rapid influx of new Internet users, the average time Chinese consumers spent using many services dipped slightly in 2011. But based on the high adoption rates of Internet activities by more seasoned Chinese users, our research suggests that a second wave of consumers will quickly adopt behaviors such as social networking, product/service ratings and microblogging.

8. **Game On!: The Growing Opportunity in Online Gaming.**

Gaming consoles (PS3, Xbox, etc.) are now used an average of 1.5 hours per week to connect to the Internet – with the highest use in Japan, Canada and England. Overall, 43 percent of consumers said that they have played games with other people on a PC, 28 percent on a mobile device, and 27 percent on a game console. Overall, China consumers are the most enthusiastic adopters of online gaming, with 52 percent reporting that they have played a game with other people using a mobile device and 44 percent doing so through a game console.

The increasing ability to interact with other users through gaming devices represents an opportunity for companies to engage with audiences through existing gaming companies or by creating unique game experiences directly tied to their products or services.

9. **Informing Our Choices, Protecting Our Budgets.**

Consumers look to the Internet to provide the information and the moral support they need to make smart, informed choices about certain products and services. Its impact and influence are strongest when consumers are making choices about products or services for children and healthcare; of those surveyed, 85 percent and 75 percent, respectively, said they rely on online information to make these decisions. Meanwhile, 93 percent indicated that the Internet helped them to compare options while contemplating a consumer electronics purchase.

And when it comes to saving money, 88 percent credited the Internet with getting the most of their dollar in travel and leisure, while 87 used the Internet to save money on education.

How the Internet Helps Consumers Make Decisions About Goods and Services

BASE: Variable base. Respondents who used the Internet to help them make a decision regarding a good and/or service

<i>(All numbers are percents)</i>		The Internet helped you.....					
		Find advice or support from other people about:	Compare options	Find professional or expert services	Act faster	Act with more confidence	Save money
Goods and services	Packaged goods	40	57	34	37	45	43
	Education	67	77	53	74	64	87
	Healthcare	75	80	72	72	74	69
	Public affairs	67	64	38	62	70	35
	Personal finances	40	87	47	71	71	70
	Travel and leisure	44	89	46	78	66	88
	Consumer electronics	48	93	24	51	73	68
	Utilities	56	84	54	69	65	80
	Children	85	88	81	75	81	76

Figures reflect the average percentage of consumers who indicated the Internet helped them do one of the following (column) when making a decision regarding the goods and/or services (row). Figures are the average for the consumers in all eight countries.

10. Search Is Mandatory – but Consumers Will Still Explore on Their Own.

Internet search engines continue to be the most prominent tool consumers rely upon to help make purchase decisions (89 percent), indicating the ongoing importance of a strong search engine optimization strategy. But consumers clearly continue to explore and discover on their own. Their second most prevalent information source is brand or product websites. Meanwhile, price comparison sites are gaining in importance, as well – specifically with packaged goods, education, healthcare, travel and leisure, and consumer electronics.










How Sources of Information on the Internet Help Consumers Make Decisions

BASE: Variable base. Respondents who used the Internet to help them make a decision regarding a good and/or service

<i>(All numbers are percents)</i>	Search engine	Company-sponsored website	Comments from other people	Online ad	Product/price comparison site	Social networking site	Government-sponsored website	Blog	Politically oriented website
Packaged goods	50	21	31	26	43	23	6	13	7
Education	61	32	55	40	55	32	22	26	15
Healthcare	69	39	50	35	50	31	28	31	24
Public affairs	54	22	41	20	17	28	22	30	41
Personal finances	58	53	28	15	37	6	17	9	3
Travel and leisure	65	41	33	19	54	5	5	7	2
Consumer electronics	61	36	48	25	53	8	3	11	2
Utilities	56	46	38	35	49	17	14	14	11
Children	76	36	62	45	50	38	32	29	14

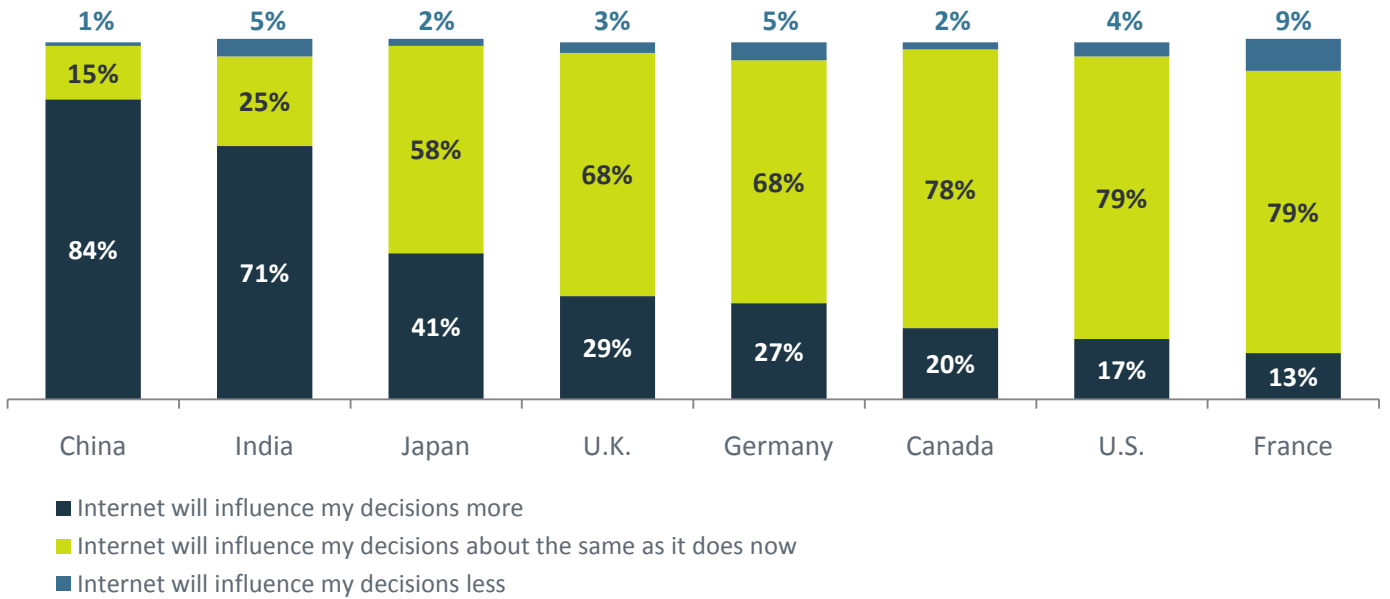
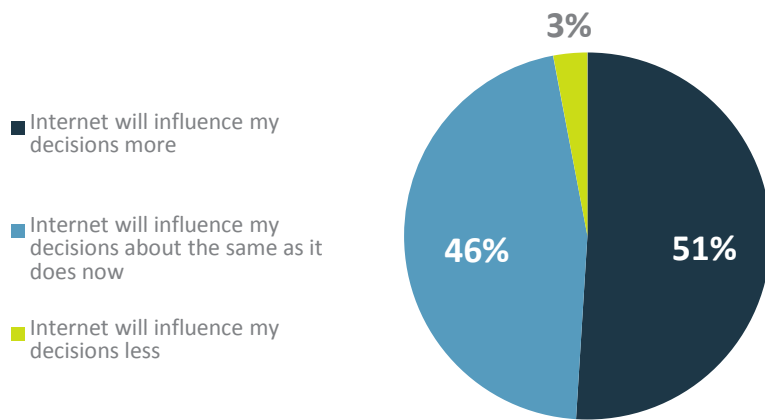
Figures represent the average percentage of consumers who indicated the following source (column) helped them make a decision about the goods and/or services (row). Figures are the average for the consumers in all eight countries.

Searching for Information About Brands and Products

(All numbers are percents)									
Use a search engine	89	93	90	96	91	88	78	90	90
Go to the brand or product website	60	63	63	65	54	55	41	62	67
Go to a product review site	50	47	53	47	50	55	49	55	43
Search a news site	24	15	38	8	10	28	16	20	10
Ask or post a question on a forum	24	12	42	9	11	33	6	12	8
Go to the brand or product's Facebook page	18	14	28	8	5	35	7	9	8
Go to the brand or product's Twitter feed	14	3	28	0	1	21	7	5	1
Search Twitter for user comments	12	2	22	1	1	20	7	6	1
Something else	5	7	5	4	11	11	4	4	4
Not applicable – I do not search for information about brands or products on the Internet	4	5	0	2	6	4	11	5	6

11. With a Growing Number of New Adopters and the Increasing Availability of the Internet – Both Through New Technologies and by Entering New Markets – We See the Internet’s Ability to Drive Consumer Purchasing Behavior Well Into the Next Decade.

Internet Influence Two Years From Now



BASE: All respondents (n=4,612)

Methodology

The Digital Influence Index assesses the relative role and the influence of different media in the lives of consumers. This project was designed and led by the Fleishman-Hillard digital research group, a team within the Fleishman-Hillard research network focused on providing research that supports the digital transformation of communications. Analysis and insight development were conducted in partnership with Harris Interactive.

Harris Interactive conducted fieldwork for this study through a comprehensive, 15-minute, online survey among a representative sample of 4,612 Internet users in China, the U.S., Japan, Canada, Germany, France, the U.K. and India.

This work took place between May and June 2011. Respondents to the survey were recruited from various panels managed by Harris Interactive across the markets surveyed.

About the Authors

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Colby Vogt is a vice president in Fleishman-Hillard's Research and Insights group. He joined Fleishman-Hillard in 2009 and has more than 15 years of experience in research and consulting for consumer, financial, automotive, manufacturing and B2B clients. He currently heads up Fleishman-Hillard's measurement practice with a focus on digital/social media.

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Ken Alldredge brings over 15 years of research experience to Fleishman-Hillard, including five years developing and managing quantitative and qualitative consumer research projects. This year's study represents Ken's third year analyzing the data from the Digital Influence Index.

About Fleishman-Hillard

Fleishman-Hillard Inc., one of the world's leading strategic communications firms, has built its reputation on creating integrated solutions that deliver what its clients value most: meaningful, positive and measurable impact on the performance of their organizations. The firm is widely recognized for excellent client service and a strong company culture founded on teamwork, integrity and personal commitment. Based in St. Louis, the firm operates throughout North America, Europe, Asia Pacific, Middle East, Africa and Latin America through its 80 owned offices. For more information, visit the Fleishman-Hillard website at www.fleishmanhillard.com.

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