

BUYING INFLUENCES: CONSIDER THE SOURCE

IN OUR information-saturated society, it's not always easy to sort out which sources of information have the greatest influence on consumer decision making.

The most important thing for communicators to remember is that no single medium can reach all potential customers. A recent survey by Wirthlin Worldwide shows that there is no substitute for a thorough knowledge of your target audience, and an understanding of their media habits *as they relate to your specific product or service category*, so you can provide persuasive information through those sources where they are most likely to be looking for it.

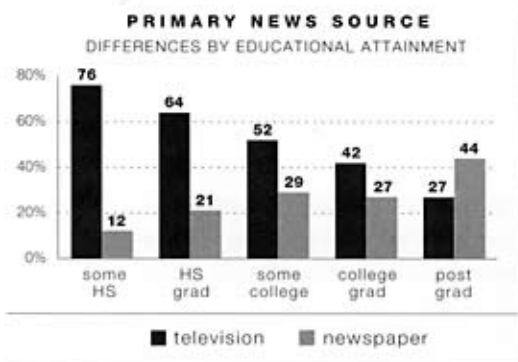
BUT FIRST, THE NEWS

Let's start by looking at where people get their *news* information. It's not surprising that for most Americans, television has become the primary news source. Over half of those surveyed (58%) say they get their news mostly from TV, evenly divided between network and cable television. Newspapers are the primary news source for about one-fourth (23%) of all Americans, followed by radio (13%), the Internet (4%), and news magazines (1%).

As often discussed, the influence of the Internet is bound to grow, even though still slight now. One evidence: Among the youngest adults (age 18-24), 11% say the Web is their primary news source.

Women are significantly more likely than men to rely on television, and less likely to rely on newspapers and radio to find out what is going on in the world. Even more pronounced is the strong cor-

relation between education and primary news source. As shown below, Americans with lower levels of educational attainment tend to get their news from television rather than newspapers. As education increases, reliance on television



decreases, so that among people with a post graduate education, newspapers are named more often than TV as their primary news source.

INFLUENCES ON PURCHASING

We know from our research that Americans are conscientious comparison shoppers. The majority (87%) of those surveyed say "Before I make a major purchase, I spend a lot of time finding out as much information as I can about which brand is best."

One could argue that shoppers are not consciously aware of how they are influenced by various types of communication. But by asking, "What source influences your buying decision the most?" we learn something about the kinds of sources people deliberately seek out when actively considering a purchase.

For information about products and services, the mix of sources is more balanced than it is for news, but depends a lot on the type of product. Magazine

HIGHLIGHTS

1 EXTRA! EXTRA!
Watch all about it

2 KNOW YOUR TARGET
Sources of buying information vary by product, audience

2 COMPARABLE WORTH?
Public relations vs. advertising

2 UNBELIEVABLE!
Advertising's credibility gap

3 OBJECTIVELY SPEAKING
Consumers trust earned media more than paid

3 WORD OF MOUTH
Friends, family exert strong influence

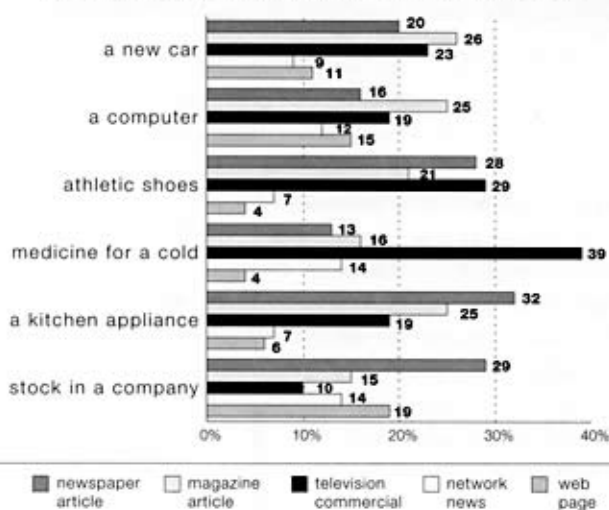
4 WIRTHLIN WINS OGILVY AWARD

NEXT MONTH:
Y2K



SOURCES VARY BY PRODUCT

WHICH WOULD INFLUENCE YOUR BUYING DECISION THE MOST?



articles tend to be the most influential source to somebody shopping for durable goods where in-depth comparison of features is part of the buying process, such as a computer or a new car. Television advertising has the biggest impact on purchases of less expensive consumables like cold medication and athletic shoes. And newspaper articles have the biggest influence when purchasing certain items like appliances, as well as making investment decisions, for example buying stock in a certain company.

As it is with news, television is the predominant source for product information among less educated Americans. On almost all of the items listed, people with less formal education rely more heavily on television, while the highly educated are influenced more by the print media, particularly magazines.

Again, the Internet appears to have a big influence. Significant numbers of people look to the Web to help them make decisions about buying a new car, a computer, or investing in company stock.

ADVERTISING VS. PUBLIC RELATIONS

For a long time, one of the "Holy Grails" of marketing communications has been the search for a formula by which the persuasive value of earned media can be directly compared with that of paid media: Which is more effective, a front page article in the *Wall Street Journal* or a full page ad in *Business Week*? What is the value of being mentioned on *Oprah* versus a paid endorsement by Michael Jordan? Does a positive mention on *20/20* have more influence than a 60 second commercial on the same broadcast?

These kinds of questions are difficult to answer. Research can provide good measures of the impact of communications efforts—Wirthlin regularly uses a number of approaches to help identify what it is that drives people's changes in attitudes and preferences. But it is not a simple procedure, and the findings are relevant only for a specific product category among a specific audience. Nobody has found the magic formula for how to weigh advertising against public relations across all circumstances.

Frankly, a lot of wasted effort has been spent chasing this formula, usually in an attempt to prove that PR is worth doing. That hardly needs any proof. Everybody knows that money can't buy the kind of exposure a company gets by, say, making the cover of *Fortune* magazine. That is why we recommend a coordinated communications program, which combines paid media and earned media, to achieve the best results.

SOURCE CREDIBILITY

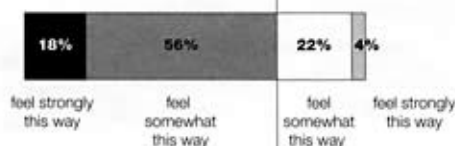
When talking about sources of influence, credibility is always one of the central issues. People are more strongly influenced by sources they consider to be credible, so believability is an important indicator of communications effectiveness. Our survey found that believability varies widely among sources.

Generally speaking, Madison Avenue faces the biggest credibility hurdle. Only one in four Americans feel that "most advertisements do their best to tell the truth about the products they advertise." Three out of four lean toward the opposite view, that "most advertisements deliberately stretch the truth about the products they advertise."

DISTRUST OF ADVERTISING

most advertisements deliberately stretch the truth about the products they advertise

most advertisements do their best to tell the truth about the products they advertise

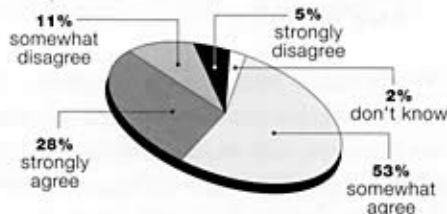


Fortunately for advertisers, this skepticism is fairly soft. Only 18% of those surveyed are strongly distrustful, while the majority (56%) only feel "somewhat" this way. Women over age 35 are half as likely (10%) to express strong distrust as are younger women (22%) and men of all ages (23%).

Relative to advertising, editorial content in the media has much greater credibility. More than eight out of ten surveyed agree that "news articles are more believable than advertising." This is one reason why public relations efforts are such an important part of any communications program.

THE POWER OF PR

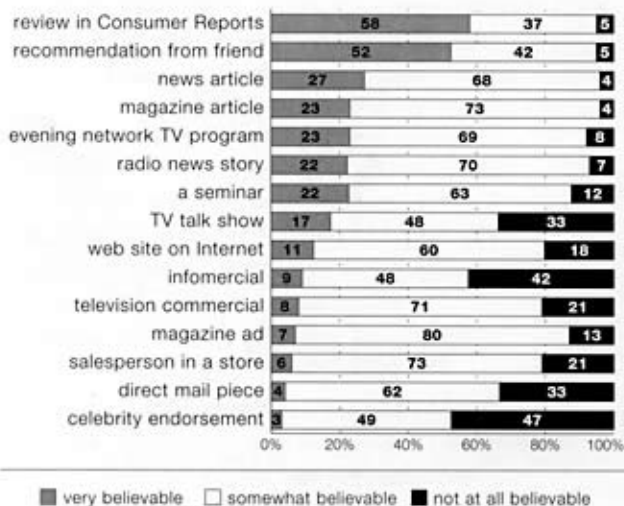
"NEWS ARTICLES ARE MORE BELIEVABLE THAN ADVERTISING"



We asked respondents to rate a number of specific sources as to their believability in general when it comes to information about products and services. The results confirm that broadly speaking, editorial content is more credible than advertising. The following chart divides rather neatly between earned media on the high end and paid media on the low end of the believability scale.

BELIEVABILITY OF SOURCES

FOR INFORMATION ABOUT PRODUCTS/SERVICES



- Consumer Reports has successfully positioned itself through the years as an unbiased source of consumer information, and remains the gold standard for credibility.
- Web sites hold their own alongside traditional forms of paid media, and in fact score higher on "very believable." One reason may be that the user controls the medium, approaching a web

site as an active seeker of information, instead of a passive recipient of an advertising message.

- Few people want to admit they are strongly persuaded by celebrity endorsements, yet more than half find them at least somewhat believable.
- Consumers reveal a high level of distrust toward two much-maligned television formats, talk shows and infomercials.
- Direct mail is often criticized, and has one of the highest negative ratings. On the other hand, two-thirds find it at least somewhat believable, so don't throw it out of the marketing mix.
- While seminars cannot reach the same number of consumers as mass media, their relatively high believability suggests that they can be among the most convincing types of "advertising" when targeting niche markets.

Advertising's low credibility relative to other types of messages is not unexpected. People are just naturally resistant to being persuaded. In our Internet usage survey last month, for example, 80% of web users claimed they "usually ignore" banner ads. Yet 59% of these same users have clicked on a web ad to find out more. The bottom line is that advertising works. Through sound strategy and creative execution, advertisers can clear the believability hurdle and persuade effectively.

PEOPLE AS SOURCES OF INFLUENCE

In addition to messages carried through the media, we should not ignore that people are often the most powerful sources of buying influence. Word of mouth is, after all, the oldest form of advertising. The chart on the left indicates that a recommendation from a friend carries more weight than just about any other source.

What about family members? Among married respondents, both men and women agree that the wife has more influence on selecting a restaurant, deciding which brand of clothing to buy, and where to shop. Women also usually pick out the breakfast cereal, although 29% say children have a lot of influence here. Both sexes recognize that husbands take the lead when selecting a computer or a new car. Auto dealers take note: The woman's influence on car buying is not as insignificant as some would think; 58% of husbands say their wife has "a lot" of influence. Other decisions are shared evenly. Both spouses feel they have an equal say in choosing a vacation destination or which TV show to watch. ■