July 2009
Nielsen Global
Online Consumer Survey
Trust, Value and
Engagement
in Advertising
Overview

Nielsen recently surveyed over 25,000 consumers online across more than 50 markets from Europe, Asia Pacific, the Americas and the Middle East on their attitudes toward trust, value and engagement of advertising.

Trust and Value

Across over 50 countries measured, a majority of online consumers surveyed trust most forms of advertising and agree that it delivers value by promoting competition and supporting a wide range of media.

Trust in advertising is up: Consumers today are more trusting of every marketing channel tracked compared to two years ago, save newspaper advertising, trust in which declined a marginal 3%.

Peer recommendation is the most trusted channel, trusted “completely” or “somewhat” by 9 out of 10 respondents worldwide.

Of the major paid advertising channels (online, outdoor, print, radio, TV and theatre), television and newspaper are the most trusted media.

Text message ads on mobile phones are the least trusted paid advertising channel, winning the confidence of just 24% of consumers globally.

Online search, banner and video ads are trusted by fewer than half of respondents.

Latin American consumers tend to be the most trusting of advertising, and European consumers the least trusting.

Engagement

When engagement is measured by the ability of advertising to convey humor, emotion and information, TV ads surpass online video ads.

Of those same dimensions, consumers are most receptive to the humorous qualities in TV and online video ads.

Asian and Middle Eastern consumers are the most likely to find the intended humor in a TV ad, while Latin American consumers are the most likely to find informative those TV ads that are intended so.

Latin American consumers are the most receptive to online video ads in terms of all three dimensions: humor, emotion and information.

North America

In North America, online consumers under the age of 20 exhibit higher than average degrees of trust in all forms of advertising.

North American consumers aged 30–34 are the most likely to trust online advertising.

Female consumers in North America are more engaged than males in TV ads in the dimensions of humor, emotion and information, especially when it comes to finding a TV ad emotionally touching.

In North America, the oldest consumer group measured (65 and over) is the least engaged with TV advertising by these same dimensions, while the youngest group (under 20) registers the highest level of engagement with online video ads.

Trust Us

In the United States, false advertising is illegal. Under the Federal Trade Commission Act of 1914, amended in 1938 to protect consumers from false advertising, advertisements must be “truthful and non-deceptive,” must have “evidence to back up their claims” and must be fair (that is, must not be “likely to cause substantial consumer injury”). Despite this legal reassurance, consumer trust in advertising has varied over time and across media.

Understanding consumer trust in advertising is as important as ever.

• Commercial avoidance is becoming easier. Twenty-eight percent of the U.S. TV audience used a DVR in the first quarter of 2009 (Source: Q1 2009 A2M2 Three Screen Report, The Nielsen Company).

• Social media are expanding consumers’ positive and negative influences regarding brands. Two-thirds of the global Internet population visit member communities online (Source: Global Faces and Networked Places: A Nielsen Report on Social Networking’s New Global Footprint, March 2009).

• Economic pressure is driving greater attention to ROI, and advertisers have a vested interest in marketing investments, underscoring the importance of trust and engagement in advertising like never before.

Beyond earning their trust, advertisers and media companies want consumers to understand the value of advertising—a less concrete sentiment that can broadly affect consumer receptivity to advertising in all media.
Trust, value and engagement in advertising should be measured in a variety of ways. For the purposes of this paper, Nielsen recently launched a global online consumer survey to measure trust in advertising among consumers, partnering with the World Federation of Advertisers (WFA) to also examine the value of advertising. This approach succeeds in gauging general consumer perceptions of advertising, while services such as Nielsen IAG, Nielsen’s advertising engagement measurement and consultancy, can gauge similar perceptions and engagement on an ad-by-ad, channel-by-channel basis. In this paper, we discuss only the general and global perceptions measured by the survey.

What we found is, while trust and value perceptions can vary greatly by market and media, global consumer trust in advertising is on the rise and most consumers acknowledge the value advertising offers.

In this report, we extrapolate the results of our recent global survey to provide insights into consumer trust in advertising, the value consumers see in advertising and certain dimensions of engagement across TV and online video ads, in particular.

Trust in Advertising

Nielsen measured consumer trust in 16 different marketing channels by asking consumers “To what extent do you trust the following?”

Across all channels, an average 56% of respondents indicate that they trust advertising “completely” or “somewhat.” Peer recommendations top the list, trusted by 9 out of 10 consumers; while text message based ads perform the lowest, trusted by just 24%.

Across the 16 measured channels, non-media channels are more trusted than paid media channels. After peer recommendations, consumers trust brand websites, consumer opinions online, editorial content and brand sponsorships ahead of a broad list of paid advertising channels. This importance of peer recommendations and consumer opinions online justifies the attention marketers continue to pay to the use of social and consumer-generated media.

Of the paid advertising channels of online, outdoor, newspaper, magazine, radio, TV and theatrical, TV and newspaper are the most trusted media: 61% of global consumers say they trust TV advertising—the same percentage that trust newspaper advertising.

Online and mobile advertising have perhaps the steepest hill to climb for consumer trust: in addition to text message advertisements, online search, banner and video ads are the only channels trusted by fewer than half of
respondents globally. The good news for online is that consumer trust in that medium is growing. The percentage of global consumers trusting banner ads grew 27% between 2007 and 2009 (from 26% to 33% of consumers). The percentage trusting ads in search engine results grew 21% (from 34% to 41% of consumers).

Consumers today are more trusting of every marketing channel tracked when compared to two years ago, save newspaper advertising, trust in which declined a marginal 3%. Theatrical advertising saw the greatest growth in trust—increasing 37% since 2007, from 38% of consumers to 52%.

**Trust Varies by Region**

Though TV and newspaper are the most trusted advertising channels overall, trust in ads across both media varies considerably by region. Trust in TV advertising is much higher than average in Latin America, where 74% of consumers trust it, and lower in Europe, where just half (49%) trust it.

Similarly, trust in newspaper advertising, which tied as the most trusted paid advertising vehicle globally, varies as a trusted source by region. As with TV, Latin Americans are the most trusting of newspaper advertising (75%), while just half of Europeans trust it.

The higher-than-average trust that Latin American consumers exhibit for TV and newspaper advertising is consistent across almost all measured channels. In all but one channel—“E-mails I signed up for”—Latin American consumers are the most likely to trust advertising: North American consumers are the most likely to trust such e-mails.

Trust in online advertising is only evident among four-in-ten global consumers (41%). But again, Latin American consumers exhibit the highest level of trust (53%), whereas Europeans are the most hesitant (36%).

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*Includes search engines, email subscriptions, online banner ads and online videos.*
The following tables present a further breakdown of which countries’ consumers express the most trust in each of the paid advertising channels.

Figure 7: Territories Showing the Most Trust by Paid Advertising Channel

<table>
<thead>
<tr>
<th>Theatrical</th>
<th>Search Engine</th>
<th>Emails</th>
<th>Online Banner Ads</th>
<th>Online Video Ads</th>
<th>Mobile Text Ads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezuela</td>
<td>Vietnam 62%</td>
<td>Portugal 69%</td>
<td>Vietnam 67%</td>
<td>Vietnam 63%</td>
<td>India 43%</td>
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<td>Philippines</td>
<td>Brazil 62%</td>
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<td>Venezuela 43%</td>
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<td>Brazil</td>
<td>Indonesia 57%</td>
<td>US 67%</td>
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<td>South Africa</td>
<td>Venezuela 56%</td>
<td>India 65%</td>
<td>Mexico 52%</td>
<td>Pakistan 35%</td>
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The most trusted medium varies by market.

The most trusted advertising channels are:
- Television
- Email
- Search Engine

The least trusted advertising channels are:
- Mobile Text Ads
- Outdoor
- Newspaper

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The Value of Advertising

In addition to wanting consumers to trust advertising, advertisers and media companies want them to understand the value that advertising provides. New this year to our study, we analyzed international perceptions of the value of advertising.

In partnership with the WFA, we measured consumer perceptions on eight values for advertising.

We asked if advertising:
- Increases value for consumers (through competition)
- Promotes consumer choice (helping consumers exercise their right to choose)
- Powers economic growth (by helping companies succeed)
- Creates jobs (through economic growth and as an industry in itself)
- Is the lifeblood of media (funding a diverse, pluralistic media landscape)
- Funds sports and culture (through sponsorship)
- Helps make a difference (through public service advertisements)
- Often gets my attention and is entertaining

Globally, most consumers agree that advertising delivers these types of value. Across all eight, more consumers than not agree with the statements.

Most prominently, consumers understand that advertising helps to subsidize the cost of sporting and cultural events: 81% of consumers agree with that value. Consumers are less convinced of the value of advertising in providing useful information on issues such as safety and health through public service announcements, although even here, 63% of consumers agree that it does so.

While the perception of advertising value appears consistent across age and gender groups, there are considerable regional differences, as with trust in advertising. The most notable regional variation is on the subject of advertising’s ability to help consumers make more informed choices, by providing information. Globally, two-thirds of consumers agree that advertising provides value this way. In Latin America, eight out of 10 consumers agree, but only half of European consumers do.
Engagement with Advertising

To consider whether advertising is achieving its intended audience engagement, Nielsen measured general advertising engagement with a focus on TV ads and online video ads. Global respondents were asked to rate their levels of agreement with statements on three aspects of engagement: funny, emotionally touching, and informative.

Overall, online consumers are most receptive to the comedic qualities in a TV or online video ad. About six in ten of them (59%) “strongly agree” or “agree” that they understand the humor in TV ads that are meant to be funny, while about half (49%) share the same understanding for online video ads.

In our survey, TV ads surpass online video ads in engagement along all three dimensions measured. The tide may be shifting a bit, though. Recent research by Nielsen IAG, Nielsen’s advertising engagement consultancy, showed that teens are on average 146% more likely
to recall an advertised brand and key message from an in-stream ad they have viewed during a full TV episode watched online, compared to an ad from a commercial airing on linear TV (for the same brand/product). Other age groups show higher levels of recall to ads during TV shows online, too, though to a lesser extent. The relationship and differences of online video and linear TV ads is currently being explored by Nielsen IAG.

Looking at differences by region, with regard to TV ads, Asian and Middle Eastern online consumers most often resonate with the intended humor (67%), while Latin Americans are the most likely to feel informed (68%), both above the global average. All three dimensions—humorous, emotional and informative—resonate least with Europeans.

Online video ads are the most engaging among Latin American consumers across all three aspects of measurement, at levels solidly above the global average. Once again, Europeans register the lowest in terms of the emotional qualities (22%).

Figure 12: Global Comparison of Engagement (Strongly agree/Agree)

Figure 13: Engagement with TV Ads by Region (Strongly agree/Agree)

Figure 14: Engagement with Online Video Ads by Region (Strongly agree/Agree)
Gender/Age Variations
—North America

Trust

To get a better sense for the impact of age and gender on trust in advertising, Nielsen analyzed trust by these characteristics among North American consumers. Gender appears to have very little impact on levels of trust in advertising across the measured channels, but age does make a difference.

In all but two of the channels measured (consumer opinions online and e-mails), North American consumers under the age of 20 exhibit higher than average degrees of trust. The higher propensity for trust among young consumers is most visible in theatrical ads (North American consumers under 20 are 42% more likely than average to trust theatrical ads), sponsorships (24% more likely to trust) and television ads (23% more likely to trust).

Consumers under 20 aren’t the only ones to exhibit unique levels of trust in advertising. Persons 30-34 are uniquely prone to trusting online advertising of different forms. In North America, this is the segment of consumers most likely to trust ads served in search engines, online video ads and online banner ads.
Engagement

In North America, females surveyed are generally more receptive than males to TV ads, especially when it comes to finding a TV ad emotionally touching (53% vs. 34%).

By age, the oldest group (65 and over) of North American consumers demonstrates the least engagement in TV ads overall, while the youngest group (under 20) shows the highest scores for online video ads.
Conclusion

The Nielsen Global Online Consumer Survey shows that consumer trust in advertising has risen since the previous survey was conducted in 2007. Consumers continue to trust the opinions of other consumers (either people they know or consumer opinions posted online) more than paid advertising, including online, outdoor, print, radio, TV and theatrical channels. Branded websites are the most trusted advertiser-produced medium, tied with consumer opinions online, while two traditional media—TV and newspaper—are the most trusted paid media.

In addition to trust, consumer perceptions on the value of advertising are generally positive. Approximately 80% of consumers globally acknowledge the value of advertising in funding art exhibitions, cultural and sporting events and helping companies succeed and create jobs. A lower share of consumers (67%) recognizes the value of advertising in the basic media model of underwriting low cost and free content. Perceptions on the value delivered by advertising vary across regions, with Western European consumers the most skeptical and Latin American consumers viewing the value of advertising more favorably.

Though a rising segment of consumers, specifically teenagers, seems more engaged with online video ads than TV ads, overall consumers in our survey perceive television ads to be more effective than online video ads at communicating humorous, emotionally touching and informative messages.

Variations in consumer trust across markets, demographics and media have implications in the best way to engage consumers in a fragmented media world. What’s more, understanding the value that consumers see in advertising—and the levels of engagement they feel—can help marketers to best appeal to the marketing interests of their audience. This paper outlines just some of the variations on consumer trust and perceptions in advertising, but additional Nielsen insights are available.
About the Nielsen Global Online Consumer Survey

The most recent Nielsen Global Online Consumer Survey was conducted by Nielsen Consumer Research from March 19 to April 2, 2009, among 25,420 Internet consumers over 50 markets across Europe, Asia Pacific, North and Latin America and the Middle East. The largest half-yearly survey of its kind, the Nielsen Global Online Consumer Survey provides insight into the opinions and preferences of Internet consumers across the world.

For further detailed results by market or information on advertising engagement from Nielsen IAG, please contact Stephan.Goldsand@nielsen.com.

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The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA.

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