



Through ^{the} grapevine

New Nielsen survey proves word-of-mouth is the most powerful selling tool

Despite an ever-expanding array of advertising platforms and sources, consumers around the world still place their highest levels of trust in other consumers, according to a recent global Nielsen Internet survey.

Conducted twice-a-year among 26,486 internet users in 47 markets from Europe, Asia Pacific, the Americas and the Middle East, Nielsen most recently surveyed consumers on their attitudes toward thirteen types of advertising – from conventional newspaper and television ads to branded web sites and consumer-generated content.

“Advertisers around the world are able to reach consumers across an increasingly diverse range of media platforms,” said David McCallum, the global managing director for Nielsen’s Customized Research Services. “Even so, the recommendation of someone else remains the most trusted sources of information when consumers decide which products and services to buy. And even though new media technologies are playing a role in ‘globalizing’ society, many purchasing decisions are still based on firmly held national and cultural attitudes. Furthermore, given that nothing travels faster than bad news - with estimates that reports of bad experiences outnumber good service reports by as many as 5:1 - the importance of responsive, high quality customer service is yet again highlighted.”

“The recommendation of someone else remains the most trusted source of information”

The Nielsen survey found Filipinos and Brazilians (67%) to be the most trusting overall of all forms of advertising, while trust among Danes (28%), Italians (32%), Lithuanians (34%) and Germans (35%) were the lowest in the world.

Top Five/Bottom Five – Trust in Advertising

Philippines	67%	Latvia	38%
Brazil	67%	Germany	35%
Mexico	66%	Lithuania	34%
South Africa	64%	Italy	32%
Taiwan	63%	Denmark	28%

The Nielsen survey also found that while new platforms like the Internet are beginning to catch up with older media in terms of ad revenues, traditional advertising channels continue to retain the public’s trust. Ads in newspapers rank second worldwide among all media categories, at 63 percent overall, while television, magazines and radio each ranked above 50 percent. Such advertising scored best in



Latin America and most poorly in Eastern Europe, the Middle East and Africa (EEMEA) regions.

To What Extent Do You Trust the Following Forms of Advertising?

Recommendations from consumers	78%
Newspapers	63%
Consumer opinions posted online	61%
Brand websites	60%
Television	56%
Magazines	56%
Radio	54%
Brand sponsorships	49%
Email I signed up for	49%
Ads before movies	38%
Search engine ads	34%
Online banner ads	26%
Text ads on mobile phones	18%

Source: Nielsen Online Global Consumer Study April 2007 / Base: All Respondents

Although consumer recommendations are the most credible form of advertising among 78 percent of the study's respondents, Nielsen research found significant national and regional differences regarding this and other mediums. Word of mouth, for example, generates considerable levels of trust across much of Asia Pacific. Six of the top ten markets that rely most on "recommendations from consumers" are in this region, including Hong Kong (93%), Taiwan (91%) and Indonesia (89%). At the other end of the global spectrum, Europeans, generally, are least likely to trust what they hear from other consumers, particularly in Denmark (62%) and Italy (64%).

Word of Mouth is a powerful recommendation for Asians - Six of the top 10 markets who relied on it hailed from Asia

Hong Kong	93%
Taiwan	91%
Indonesia	89%
India	87%
South Korea	87%
Philippines	86%
Ireland	84%
Mexico	84%
UAE	84%
New Zealand	83%

Source: Nielsen Online Global Consumer Study April 2007 / Base: All Respondents

Top Five/Bottom Five - to rely on someone else's recommendation

Hong Kong	93%	Hungary	68%
Taiwan	91%	Latvia	68%
Indonesia	89%	Lithuania	64%
India	87%	Italy	64%
South Korea	87%	Denmark	62%

The reliability of consumer opinions posted online – which rated third, at 61 percent overall – also varies throughout the world, scoring highest in North America and Asia, at 66 and 62 percent respectively. Among individual markets, web-based opinions such as Blogs are most trusted in South Korea (81%) and Taiwan (76%), while scoring lowest, at 35 percent, in Finland.



Consumer generated media – such as Blogs – were considered a reliable source of information for North Americans and Asians

North America	66%
Asia Pacific	62%
Europe	59%
EEMEA	57%
Latam	53%
Global Average	61%

Source: Nielsen Online Global Consumer Study April 2007 / Base: All Respondents

On the other hand, only consumer-generated media and branded web sites were trusted by more than half of all consumers. Search engine and banner advertising, along with text ads on mobile phones, each scored at the bottom of the list with fewer than 35 percent of total respondents. Regionally, Latin American consumers found these ads most believable, while Europeans trusted them the least.

Top Five/Bottom Five - To what extent do you trust the following forms of advertising: consumer opinions posted online

Korea	81%	Italy	47%
Taiwan	76%	Chile	47%
India	73%	Estonia	46%
Philippines	72%	Lithuania	46%
Poland	72%	Finland	35%

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