

A CUSTOM STUDY

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THE ROLE OF CONTENT

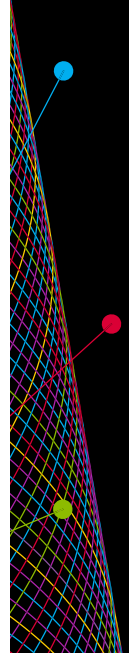
**IN THE CONSUMER
DECISION MAKING PROCESS**

MARCH 2014



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AN UNCOMMON SENSE OF THE CONSUMER™



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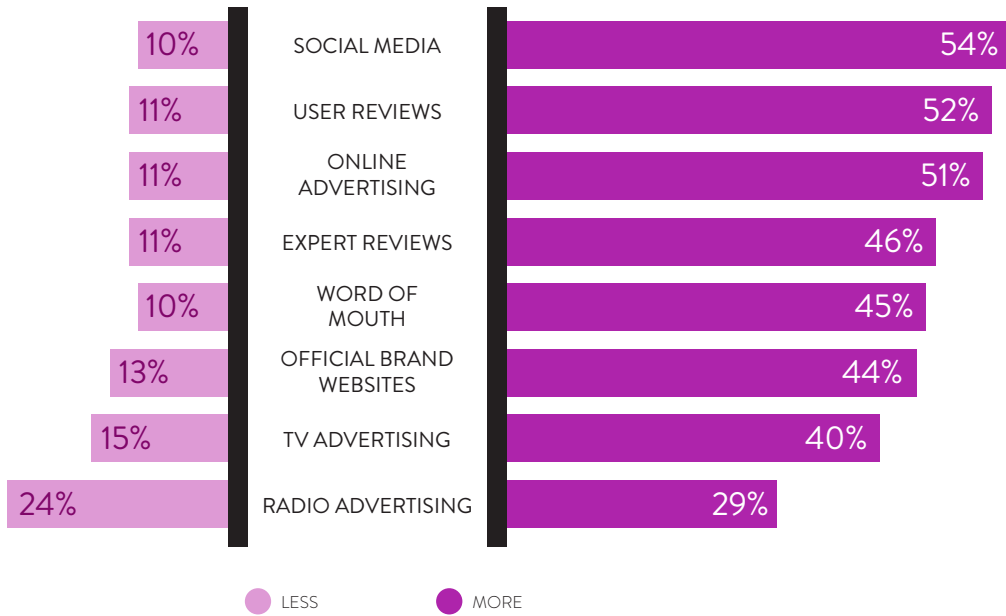
EXECUTIVE SUMMARY

The proliferation of digital and social media, including mobile, has made information more readily accessible to prospective consumers.¹ As we can see in Figure 1, consumers report an increase in usage across all sources of information in the past five years, including sources such as brand websites, user reviews, and third party expert content, when learning more about new products and services. This ability to easily access information from a variety of sources has fundamentally changed the way consumers research products and, ultimately, make purchase decisions.

The purpose of this research, therefore, is to understand how consumers use different sources of information and how the sources impact them across a variety of product categories at each stage of the purchase process. Results of the in-lab study show that expert content—credible, third-party articles and reviews—is the most effective source of information in impacting consumers along all stages of the purchase process across product categories.

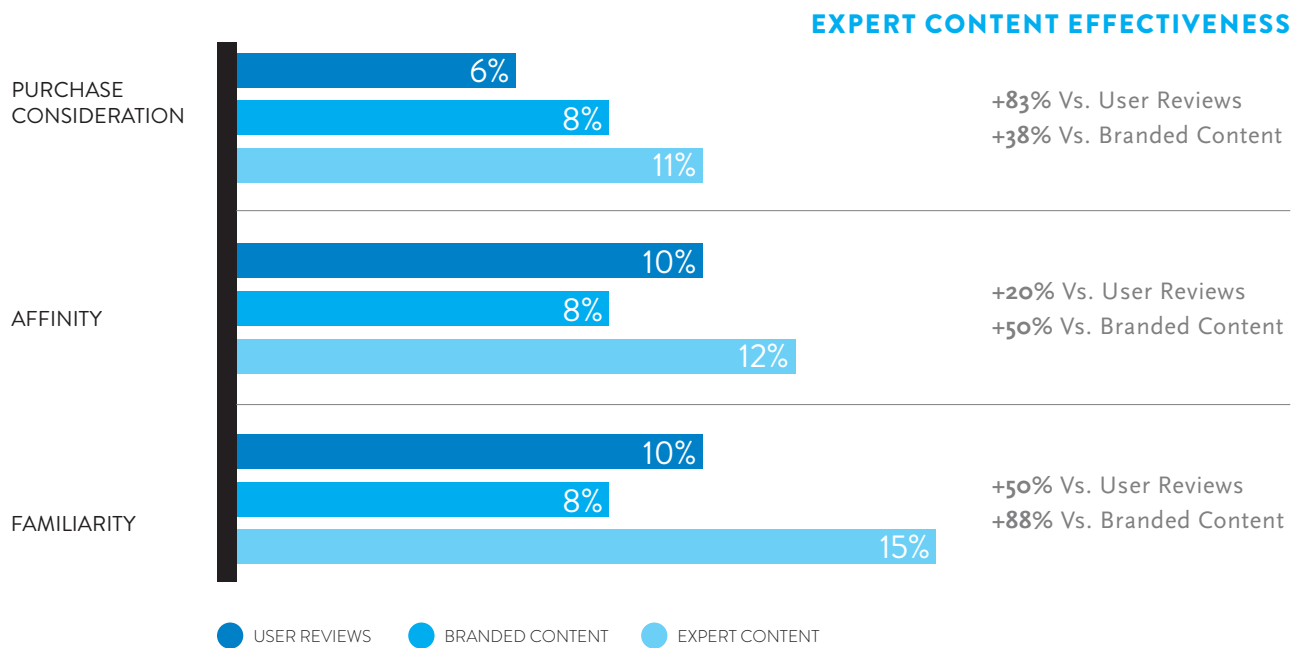
¹ Advertising Research Foundation. Digital & Social Media in the Purchase Decision Process. 2012. <http://thearf.org/arf-arrowhead-digital.php>.

FIGURE 1. INFORMATION SOURCE USAGE IN THE CONSUMER DECISION PROCESS



Source: Nielsen/inPowered MediaLab study, Dec 2013 - Jan 2014

FIGURE 2. IMPACT OF CONTENT TYPES ACROSS PURCHASE PROCESS



Source: Nielsen/inPowered MediaLab study, Dec 2013 - Jan 2014



RESEARCH QUESTION AND METHODOLOGY

To evaluate the impact of expert content and branded (or owned) content online and its role in the purchase process, an experimental design was used to expose consumers to content and then measure the impact of that content in creating product awareness/familiarity, influencing perceptions (i.e. likeability) and increasing purchase consideration. The goal of the experiment is to evaluate the relative impact of content from users, experts, and brands themselves.

900 respondents were recruited off casino floors in Las Vegas, NV to participate in the experimental design at the Nielsen MediaLabs. Each respondent was identified to be in the target audience for the products in the content they would be exposed to. Respondents answered an online survey before and after the experience in order to measure the impact of the content on their familiarity, perceptions, and purchase consideration of the products.

CONTENT TYPES

Content was classified as one of three content types: expert content, user reviews, and branded content. Expert content includes reviews and articles selected from third-party websites and blogs dedicated to the

relevant product category. User reviews were selected from the reviews portion of major online retailers or forums. Branded content was content taken directly from the official websites for each product.

CONSUMER DECISION-MAKING PROCESS (KEY MEASURES)

Each online source was measured with three survey metrics aligned with the three main stages of influence in the consumer purchase process². This provided a consistent measurement in order to fairly assess source influence at each stage.

- Stage 1: Familiarity with a new product
- Stage 2: Affinity toward a brand or product
- Stage 3: Purchase consideration of a brand or product

PRODUCT CATEGORIES

Respondents viewed content providing information on nine products in different categories, ensuring a broad scope and the ability to assess if the observed effects varied across different types of purchases. Products that were included in the study are listed below and cover a wide variety of categories, including:

- Auto insurance
- New car
- High-end HDTV set
- Smartphone
- Dryer (i.e. major home appliance)
- Child seat
- Digital camera
- Video game
- Electric toothbrush

PURPOSE FOR LABORATORY SETTING

A controlled-lab setting was critical in this experiment as the amount of information to be digested by the respondent was such that it introduced the possibility that respondents would not fully read the content or information provided if exposed in an unsupervised testing environment. Therefore, a proctored setting ensured that respondents exposed to the different information sources had adequate time to read and digest the content presented to them. The Nielsen MediaLabs facility also draws from a nationally-representative population and is the only lab facility to offer in-lab testing without relying only on locally recruited respondents. These advantages were conducive to increasing the reliability and projectability of the research findings.

² Schiffman, L. G. & Kanuk, L. L. Consumer decision making and beyond. Consumer behavior. Ninth Edition. New Jersey: Pearson Prentice Hall. 2007.

RESULTS OF THE EXPERIMENT

Figure 3 shows an at-a-glance summary of the experiment results. While each content type had some success at increasing product familiarity, affinity, and purchase intent, content written by credible experts performed best overall.

Expert content was the only content type to exhibit a strong lift in all 3 areas of the purchase cycle. It provided the most familiarity lift for 7 out of the 9 products, the most affinity lift for 5 of the 9 products, and the most purchase intent lift for 6 of the 9 products. On average, expert content lifted familiarity 88 percent more than branded content and 50 percent more than user reviews; they lifted affinity 50 percent more than branded content and 20 percent more than user reviews; finally, they lifted purchase consideration 38 percent more than branded content and 83 percent more than user reviews.

FIGURE 3. POSITIVE LIFT BY CONTENT AND PRODUCT TYPE (IN PERCENTAGE POINTS)

PRODUCT TYPE	EXPERT CONTENT			USER REVIEWS			BRANDED CONTENT		
	FAMILIARITY	AFFINITY	PURCHASE	FAMILIARITY	AFFINITY	PURCHASE	FAMILIARITY	AFFINITY	PURCHASE
Smartphone	22	13	16	9	6	2	7	10	13
Smart TV	8	6	7	1	9	4	0	7	0
Video Game	30	22	11	25	28	20	17	3	12
Car Seat	28	19	14	11	16	19	19	15	16
Electric Toothbrush	3	12	9	2	16	0	11	10	7
Dryer	18	10	16	21	9	0	10	12	9
New Automobile	6	4	15	4	0	8	6	2	4
Auto Insurance	3	6	5	0	1	2	0	4	1
Camera	19	12	6	11	6	6	16	12	12

Lift presented as difference between pre and post measures, provided in percentage points; darker highlighting indicates relatively strong lift for category

pB2. / B2. How familiar are you with the following brands or products?

pB3. / B3. How do you feel about the following brands or products?

pB4a. / B4a. How likely are you to consider purchasing [PRODUCT]?

Source: Nielsen/inPowered MediaLab study, Dec 2013 - Jan 2014

There appear to be two key differentiators that help to explain why expert content was the only type that exhibited this strong lift across all three areas of the purchase funnel. The perceived partiality of the source was especially critical in setting expert content and branded content apart. The third-party element was important to consumers: 50 percent indicated that they wouldn't trust a product's branded website for an unbiased assessment of a product, and 61 percent were less likely to trust product reviews paid for by the company selling the product. Expert content can provide an unbiased and honest assessment of a product, which is particularly important during the final stage of purchase consideration. The other key differentiator was how informative the respondents perceived the content to be. Consumers perceived expert content to be 10 percent and 8 percent more informative than both user content and branded content respectively. Thus, expert content's ability to provide the greatest breadth and variety of information compared to branded and user content, combined with a perspective that it was perceived as unbiased, appears to be driving its consistently high performance in all areas of the purchase process.

USER REVIEWS AND BRANDED CONTENT

While user reviews and branded content did not exhibit the same pattern of consistency in performance across all categories and phases of the purchase cycle that was observed with expert content, there were instances where their impact was strongest. With branded content, for example, lift was strongest with categories where product specs were a critical part of the part of the decision making process. Specifically, branded content provided the most lift to purchase intent in one product category: cameras. This could be attributed, in part, to the importance of specs in the final decision making process for this product and the perceived trust that brands know their own product specs best. Branded content was also effective at lifting familiarity and affinity for other spec-heavy products: smartphones, automobiles and dryers.

User reviews were found to be successful in categories where users tend to have a higher degree of product expertise. For example, video game affinity and purchase intent were lifted the most by user review content—possibly because video game consumers see other gamers as knowledgeable enough to provide reliable, trustworthy reviews. That said, expert content was also effective at lifting these measures and was most effective at creating initial product awareness or familiarity. In a similar case, we found for car seats that, even though expert content was most effective at increasing familiarity and affinity, user content provided the strongest lift to purchase intent. This may be another product category where the consumer themselves are highly regarded as expert users—and mothers perceive other mothers as “experts.”

PRICE POINTS

Expert content was most effective at influencing high price point purchases (i.e. \$1,000+). Table 1 below depicts the role of the information source on these types of high price point purchases. It is important to note that branded content was effective at driving familiarity and affinity for big ticket purchases, but it was not as effective at persuading purchase consideration. User reviews had even less relevance for these types of purchases. Ultimately, expert content influenced all three phases and was most effective at driving final purchase consideration. The higher the price point, the more efficient expert content was in educating and persuading consumers.

TABLE 1. CONTENT IMPACT ON HIGH-PRICED ITEMS

	BRAND IMPACT: HIGH-PRICED ITEMS (INDEX)	EXPERT CONTENT	USER REVIEWS	BRANDED CONTENT
1	Familiarity Lift	122	33	144
2	Affinity Lift	153	47	127
3	Purchase Intent Lift	186	57	57

High Price Items (\$1000+): High-end HDTV, Dryer, New Car

Source: Nielsen/inPowered MediaLab study, Dec 2013 - Jan 2014

For mid-priced items, all three sources increased brand familiarity relatively well. Perceptual changes appeared to happen much more for branded content; however, expert content clearly impacted purchase consideration over the other sources. Once again, user reviews played less of a role across these purchases while the expert content was effective at influencing consumers across the purchase decision process.

TABLE 2. CONTENT IMPACT ON MID-PRICED ITEMS

	BRAND IMPACT: MID-PRICED ITEMS (INDEX)	EXPERT CONTENT	USER REVIEWS	BRANDED CONTENT
1	Familiarity Lift	103	94	99
2	Affinity Lift	107	--	196
3	Purchase Intent Lift	120	70	90

Mid Price Items (\$400-999): Digital Camera, Car Seat, Smartphone, Car Insurance

Source: Nielsen/inPowered MediaLab study, Dec 2013 - Jan 2014

Lower-priced item familiarity and affinity were more impacted by user reviews, while branded content was less effective along these measures. Expert content, on the other hand, was still effective across all phases of the purchase cycle even for these types of lower-priced purchases.

TABLE 3. CONTENT IMPACT ON LOW-PRICED ITEMS

	BRAND IMPACT: LOW-PRICED ITEMS (INDEX)	EXPERT CONTENT	USER REVIEWS	BRANDED CONTENT
1	Familiarity Lift	110	150	40
2	Affinity Lift	141	100	71
3	Purchase Intent Lift	113	75	125

Low Price Items (\$50-399): Video Game, Electric Toothbrush

Source: Nielsen/inPowered MediaLab study, Dec 2013 - Jan 2014

CONCLUSION AND RECOMMENDATIONS

Overall, our research suggests that there is a higher degree of trust from consumers when they are reading content from credible, third party experts. This trust is demonstrated by the higher lift scores with regard to product familiarity, affinity and purchase intent and its perception of being highly informative and unbiased. This level of trust further suggests that expert content is more efficient at pushing consumers along the consumer decision-making process because it is more effective at consistently lifting these measures across each phase of the purchase process. While expert content was impactful across product categories, its impact seems to be even more pronounced with higher-priced items.

Knowing this power of expert content, advertisers may want to consider increasing consumer exposure to expert content to build greater trust while also supplementing with branded content and users reviews to build familiarity and influence opinions about the product. Our findings suggest that such a strategy could be more effective at influencing consumers, particularly with their final purchase decision. In the end, the impact of expert content on consumer decision making demonstrates the important role that objective and credible information from trusted sources play in the purchase process.

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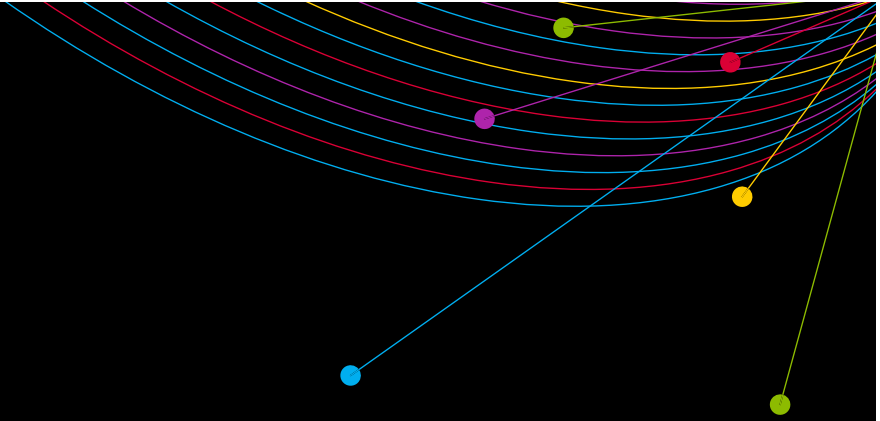
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