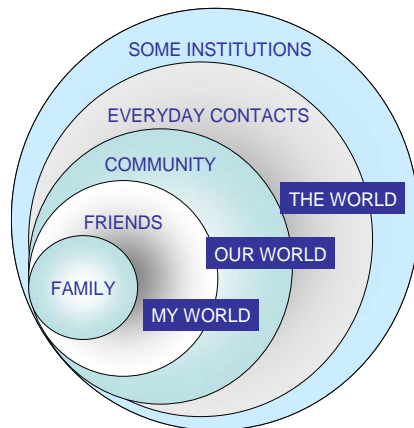


The Birthplace of Buzz – word of mouth

The Henley Centre has been at the forefront of investigating the new dynamics of marketing through engagement and point out that trust and confidence in a brand are the key to successfully engaging the consumer.

These attributes have been transformed over recent history. No longer are the institutions, governments and corporate bodies of THE WORLD accepted by the consumer as a reliable source of advice and information.

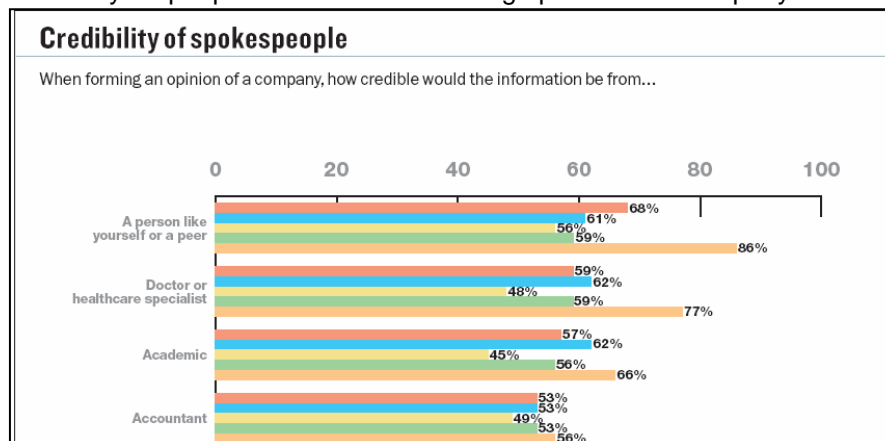


Source: Henley Centre 2004

Instead we tend to trust the people we know, the community we live in, our family, friends and colleagues. It is the view we have of OUR shared WORLD and, in particular, of MY WORLD, that form our opinions, values and attitudes.

This is particularly true of purchasing. More than 70% of people say they choose a product or service because friends and family have recommended them. A number of FMCG companies recognize that word of mouth can be the most significant factor in as much as 60% of new product purchases.

This view is supported by the Edelman Trust Barometer 2006 which highlights the growing credibility of “people like me” when forming opinions of a company.



Source: Edelman Trust Barometer 2005

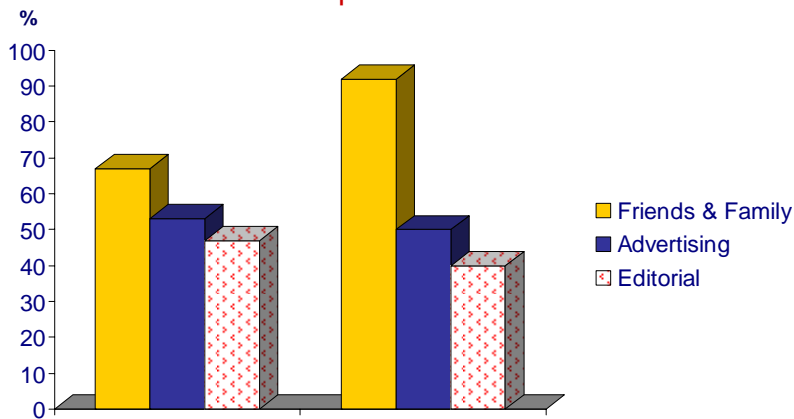
Pam Talbot, Edelman's US president highlights Unilever's Dove campaign as an example of this in practice.



"They used average women and allowed the message to be about real people, delivered by real people. You identified with the women. That was "people like me" at its best."

And this trend is growing. The Roper Organisation have tracked the increasing consumer reliance on friends and family as the primary source of information about new products and services.

"Where do you get most of your information about new products and services?"



Now, more than ever before, consumers are relying on people that they know and trust to advise them on what to buy.
Source: Roper Organisation (USA)

BIGresearch for Media Head highlighted this trend with a different approach. They set out to uncover the specific media that influenced consumers for purchasing in specific product categories.

Here we can see the electronics category split by age groups. For 18-24 and 25-34 age groups Word of Mouth (WOM) is the most influential media. Even with the more uncertain teenage group WOM is in the top 4 influencers.

Electronics Purchases		% of Teens	
Top Five Choices			
		Magazines	45
		TV/Broadcast	42
		Internet	41
		Word of Mouth	40
		Cable TV	31
		Word of Mouth	46
		Magazines	40
		Read Article	39
		Internet	37
		TV/Broadcast	37
		Word of Mouth	41
		Magazines	39
		Read Article	39
		Internet	37
		TV/Broadcast	37

Source: BIGresearch, Media Head, 2005

When we move to a product category that has a social element to it (fashion) we can see WOM becoming even more the key influencer of purchasing. All age groups agree that WOM is the primary or secondary influence to their subsequent purchasing behaviour.

Apparel/Clothing Purchases		% of Teens	
Top Five Choices			
		Magazines	34
		Word of Mouth	28
		TV/Broadcast	25
		Cable TV	17
		Internet	17
		Word of Mouth	37
		Magazines	31
		TV/Broadcast	26
		In-store Promotion	24
		Coupons	18
		Word of Mouth	33
		Magazines	26
		In-store Promotion	25
		TV/Broadcast	24
		Cable TV	14

Source: BIGresearch, Media Head, 2005

It is worth pointing out at this point the relative importance of magazines to this process. For both categories, and all age groups, magazines have the strongest media influence on purchasing behaviour. Magazines would appear to be a catalyst for personal recommendation.

This aspect of magazines has been identified in a number of ways. In discussing the need for advertisers to engage with audiences, Henley Centre noted that ;

“when it comes to engagement, magazines start one jump ahead. This is principally because there exists a strong – and intimate - relationship between readers and their chosen magazines.”

Magazines, in Henley’s view, dovetail nicely with their concept of ‘My World’ because they enjoy many of the same characteristics of a close friend.

This relationship prompts readers to use magazines as a trigger for conversations with their friends and helps them form their own opinions and points of view. Magazines are seen as a trusted agent, acting on behalf of the consumer by helping them edit choice within their lives.

This intimacy is reflected in the attitudes consumers have to the consumption of the medium. NFO called this the “magazine moment” observing that readers view it as;

“treasured, a break from work, a totally different activity which transported the readers from their everyday situation.”

It was generally an intensely personal moment. The reader was utterly absorbed in the magazine. Demands on one’s time could be forgotten for a while. The reading occasion itself

often took place in relaxed places. The magazine could be sufficient to create a private 'bubble' that protected the reader from intrusion.

Here is a media consumption that is used to avoid intrusion, not one that is characterised by it!

"Women with children in particular appreciated the fact that their relationship with magazines was like an unconditional friendship. The magazine would always be there when they had a moment, to talk to them for as long as they could spare."

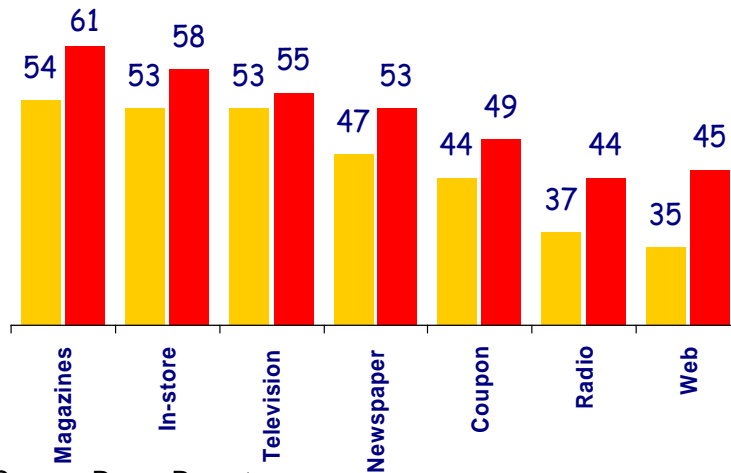
They treasured buying them, taking them home to read as a treat. The satisfaction obtained was analogous to eating a favourite food.

Magazines are consumed and absorbed in an order and at a pace which suits the individual. Respondents remarked how magazines can be taken where and when the reader wishes, are easy to pick up and put down, and are available when there's time for reading. NFO commented that the real meaning of this portability of magazines "was that the magazine really can be a friend, always to hand but never demanding, just like a good friend should be".

And this effects advertising too. One of the most significant advantages that magazines hold over other media is their ability to present marketing messages. People are happy with advertisers material not just because of the trustworthiness that rubs off from the host title, but also because the marketing material is most usually surrounded by relevant and useful content.

This assertion has been supported by research from Roper Reports in the USA. Here a study showed that magazines is the marketing channel that has contributed most to the recommendations made by consumers over the past year.

% Saying Which Marketing Elements Contributed to Recommendations of Theirs in Past Year



Source: Roper Reports

■ General Population ■ Influentials sm

Importantly, the 10% of the population that Roper identify as 'Influentials' (those that influence the rest of the population) are even more likely to have been effected by magazines.

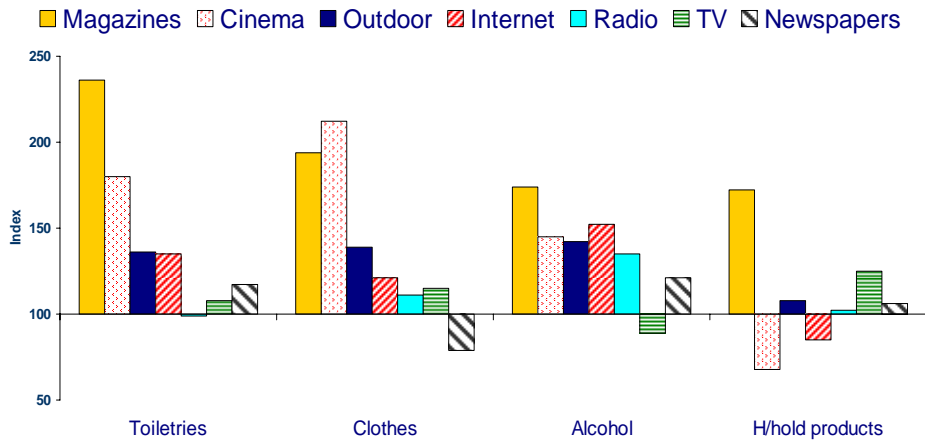
Even more recently (This will be published in 2007), in a project for Haymarket Publishing, Ipsos Mori identified that magazine readers are far more likely than the average adult to be an influencer within their community. Magazine readers are likely to generate 2-3 times more WOM recommendations than the average UK adult and these recommendations are more likely to convert into action than from the population at large.

Ipsos concluded that *"magazine readers are more valuable than their demographic, attitudinal and consumption profiles alone."*

The suggestion that magazine readers influence their community more than other consumers is supported by TGI insight into the nature of magazine readers. If we look at the heavy users of different media we can see why magazine readers are such a powerful driver of WOM.

Across a range of different product categories magazine readers and cinema viewers are far more likely to talk to different people about certain topics than heavy users of other media.

Know a large amount about

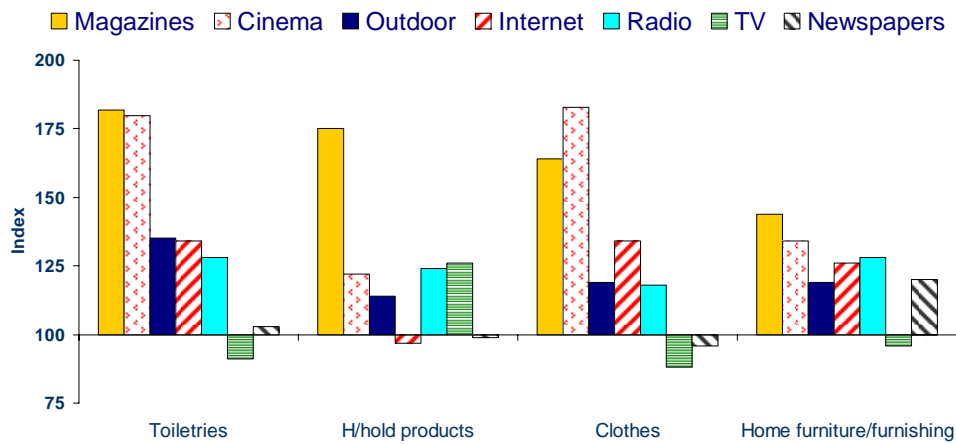


This is probably driven by their belief that they know a lot about many different topics.

Base: All adults

Source: GB TGI 2006 Q1

Talk to many different people about

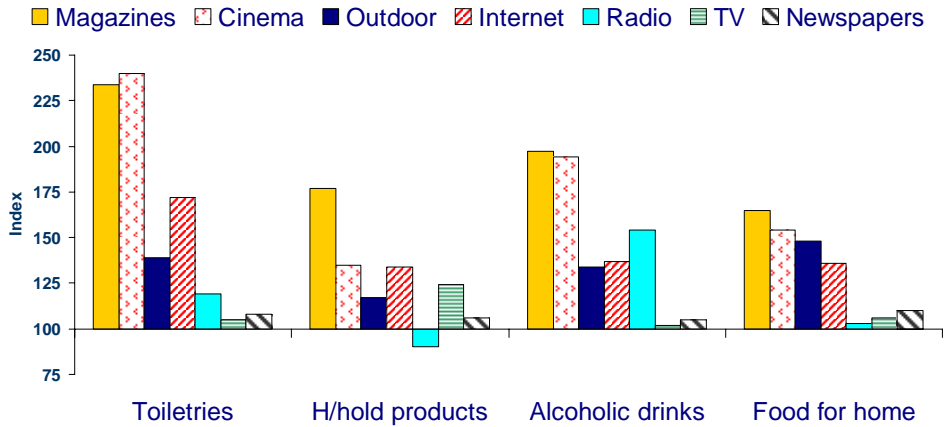


Base: All adults

Source: GB TGI 2006 Q1

This superior knowledge not only makes them more likely to talk, it also makes their friends, colleagues and family more likely to listen and be convinced by the magazine readers' opinions.

Very likely to convince others about



Base: All adults
Source: GB TGI 2006 Q1