Offline Social Word of Mouth Influence On Brand Decision-Making More Frequent and More Powerful Than Online Social Media

Informal positive communication is more frequent, and at least as impactful, relative to peer recommendation

ROCHESTER, N.Y. – June 15, 2009 – Online social media, whether it is social networking or web 2.0, rightly gets a lot of attention and is certainly compelling and, some would say, omnipresent. But does it leverage behavior or just act as a communication enabler? Neutral, informal communication on behalf of a preferred brand or vendor can have significant, far-reaching impact. When it comes to making purchase decisions, consumers obtain information using a mixture of old media and new media and those that would constitute “push” (advertising and websites) and “pull” (information from neutral, informal communication).

These are some of the results of The Harris Poll of 2,355 U.S. adults surveyed online between March 9 and 16, 2009 by Harris Interactive.

The most frequently identified methods of gathering information were:

- Using a company website (36%),
- Face-to-face with a salesperson or other company representative (22%), and
- Face-to-face with a person not associated with the company (21%).

Other frequently mentioned methods or sources were:

- Advertising in print media (19%),
- Independent websites that have reviews (19%),
- Phone call to the company (16%), and
- Public or private social networking sites (4%).

Differences in Age Groups

As might be anticipated, there were some notable information source differences between age groups. While in most respects 18-24 year olds were remarkably similar to older adults in terms of sources used for purchase decision making, they were also considerably more likely to use public online social networking sites such as Facebook, LinkedIn and MySpace (16%). These youngest adults were also significantly less likely to use online chat or email directly with companies (2%). Given the presumption that younger adults are considered to be text-crazed and less interested in face-to-face communication than older adults, one-third of 18-24 year olds (33%) said they obtain information through in-person communication with family members or friends compared to 21% of all adults who say the same thing.

Actions Taken as a Result of Brand Experience

Adults who had a memorable product purchase, use or service experience were asked if they had taken any type of downstream action and almost four in five said they had (79%). More than seven in ten who had taken an action (72%) said they had taken positive action with 57% communicating about their positive experience with others while 41% specifically recommended that someone make a purchase.

Additionally 41% of purchasers who took action said they communicated directly to the vendor or supplier. Of this group, 68% were looking for some type of issue resolution and over half (53%) reported they had their issue resolved in a positive manner while 13%, however, still had unresolved issues. Baby Boomers and Matures were more likely to communicate directly with vendors (48% and 57%) while Echo Boomers and Gen Xers are less likely to do so (28% and 35%).

There were definite differences in downstream communications depending on the industry where the product or service experience had occurred. Those who purchased in the automotive space were more likely to communicate with the vendor (43%) and have positive communication (46%). Those who purchased in the healthcare space and entertainment space were also more likely to have positive communications afterwards (45% and 43% respectively). When it comes to a positive recommendation, those who purchased technology products (44%) and entertainment products (42%) are more likely to do so. Also, in most industries, but especially automotive and healthcare services, there was greater downstream likelihood that consumers would be conveying positive messages than positively recommending.

Communications Used

Of those who had communicated to others after their purchase, almost three in five (59%) communicated to someone not directly associated with the company (that is not customer service or tech support). When asked what methods had been used for these communications, over three in five (63%) said face to face with a family member, business colleague or friend. Three in ten (30%) communicated via email while 15% via face-to-face with a retail or dealership salesperson, 12% used the website of the company and 11% communicated via text messaging. Less than one in ten used a public online social networking site, such as Facebook, for this communication (9%), an online message board, discussion forum, chat room, blog or wiki (8%), an independent website that has reviews (7%) or a private online social networking site (5%).

Downstream Behavior and Further Purchase Likelihood

Overall, two in five (40%) of those with a memorable purchase experience said they would definitely be more likely to purchase again based on their own experiences. Of those who had communicated about their positive product or service experience to others, over three-quarters (76%) said they were more likely to repurchase themselves with only 5% saying they would be less likely to purchase. Among those who had made a positive recommendation, 79% would be more likely to repurchase in the future, compared to only 6% who would be less likely.

Looking at those who had more negative experiences, just under half (46%) of those who had communicated about their negative experience would be less likely to purchase while about one-quarter (24%) would still be likely to repurchase. Among those who had recommended against purchasing the product, 63% would be less likely to repurchase compared to 24% would be more likely to repurchase.

The Takeaway

There are three key takeaways from this research:

- Methods of obtaining information and post-experience communication is much more likely to occur through a mix of traditional and new-age consumer generated (social) media, both offline and online. Further, few are using social networking tools.
- Communication to others about a product or service experience is more likely to occur than recommendation, and there is much variability by product/service category. Also, most post-experience communication takes place offline.
- Data suggest, although not conclusive, that the action of offline and online methods of communicating directly to others about experiences – except for message boards, blogs, and wikis – equally impacts, or at least generally correlates with, customers' own future purchase behavior. These findings also suggest that the act of communicating to others, positively or negatively, has the same impact on customers' own behavior as the act of actually recommending.

TABLE 1

DOWNSTREAM COMMUNICATION ACTION AS A RESULT OF PRODUCT/SERVICE EXPERIENCE

"Within the past two months, have you experienced buying a product or service that stands out in your mind?"

Base: Variable base

	Communicate to vendor	Communicate Positively	Positively Recommend	No communication
	%	%	%	%
Automotive	43	46	20	21
Telecom/Product/Service	38	27	16	38
Financial Services	37	32	30	29
Healthcare Services	35	45	22	19
Travel	32	39	29	31
Technology Products	27	39	44	25
Entertainment Products	25	40	42	25
Restaurant Dining	18	30	31	41
Entertainment	12	43	30	34

Note: Responses are only among those within each category who said they had a memorable product or service experience

TABLE 2
METHOD OF GATHERING INFORMATION

"Thinking of that most recent product or service purchase, which of the following methods of gathering information, if any, did you use to identify the choices of product or service you considered for purchase? Please select all that apply."

Base: Had memorable purchase experience

	Total	Age					
		18-24	25-29	30-39	40-49	50-64	65+
	%	%	%	%	%	%	%
Advertising in print media, such as newspapers or magazines	19	22	20	13	16	27	17
Advertising on broadcast media, such as radio or television	15	21	22	10	15	17	10
Stories/editorial material in print media, such as newspapers or magazines or broadcast media, such as radio or television	13	15	11	7	13	13	17
Online message boards, discussion forums, chat rooms, blogs and wikis	11	16	11	12	16	10	4
Website(s) of the company	36	40	32	29	46	38	29
Independent websites that have reviews, such as Trip Advisor or Amazon	19	17	21	14	24	20	16
Public online social networking sites, such as Facebook, LinkedIn, or MySpace	4	16	9	3	1	3	-
Private social networking sites, such as customer communities	4	5	4	6	2	4	*
Phone call to the company	16	12	20	10	16	18	22
Face-to-face with a salesperson or other representative, such as in a retail store or dealership	22	20	29	20	20	19	26
Email or online chat directly with the company	11	2	14	8	16	13	14
Phone call with a person not associated with the company, such as a family member, business colleague, or friend	12	15	14	8	10	16	9
Face-to-face with a person not associated with the company, such as a family member, business colleague, or friend	21	33	26	19	17	20	17
Did not gather information for this purchase or service	5	3	5	7	4	4	5
Considered product based only on my past experience	14	7	17	10	15	17	18
None of these	11	9	15	9	10	13	12

Note: Multiple responses accepted

TABLE 3

ACTIVE OR PASSIVE INFORMATION SEEKING

"Before deciding to purchase the (product/service type) did you seek or get information about someone's purchase or service experience with the same or similar products?"

Base: Those who gathered information

	Total
	%
I actively sought it out by asking someone, looking on a website, online community, etc.	61
I got information passively, more just because someone told me without asking or I heard or read about it on an incidental basis	44
Both actively and passively	5

Note: Percentages may not add up to 100% due to rounding

TABLE 4

TONE OF COMMUNICATION

"Thinking about the <u>one</u> communication from any source that really stood out before you made your purchase, what would you say the tone of that communication was?"

Base: Those who gathered information

	Total
	%
POSITIVE (NET)	84
Highly positive	52
Somewhat positive	32
Neither positive nor negative	12
NEGATIVE (NET)	4
Somewhat negative	3
Very negative	1

Note: Percentages may not add up to 100% due to rounding

TABLE 5

BELIEVABLE INFORMATION

"How believable was the information you received or obtained? Would you say it was…?"

Base: Those who gathered information

	Total
	%
BELIEVABLE (NET)	97
Very believable	62
Somewhat believable	35
NOT BELIEVABLE (NET)	3
Not very believable	3
Not at all believable	*

Note: Percentages may not add up to 100% due to rounding; * indicates less than 0.5%

TABLE 6

ACTION(S) TAKEN

"As a result of your purchase or service experience, what action(s) have you taken? Please select all that apply."

Base: Had memorable purchase experience and took action

	Total	Generation			
		Echo Boomers (18-32)	Gen X (33-44)	Baby Boomers (45-63)	Matures (64+)
	%	%	%	%	%
I communicated directly to the vendor/supplier	41	28	35	48	57
POSITIVE ACTION (NET)	72	77	80	72	57
I communicated about my positive product/service experience to others	57	56	65	59	48
I recommended someone purchase the product/service	41	49	39	39	30
NEGATIVE ACTION (NET)	14	15	11	14	16
I communicated about my negative product/service experience to others	11	12	11	10	11
I recommended against purchasing the product/service to others	6	6	3	7	7

Note: Multiple responses accepted

TABLE 7

RESOLUTION

"You indicated that you communicated to the company or service provider. How was that communication resolved?"

Base: Communicated directly to service provider

	Total
	%
Positively resolved	53
Negatively resolved	2
Still unresolved	13
I was not looking for a resolution	31
Not at all sure	1

Note: Percentages may not add to 100% due to rounding

TABLE 8

METHOD OF COMMUNICATING

"When you communicated to others not associated with the company, which of the following modes of communication were used?"

Base: Communicated to others

	Total
	%
Face-to-face with a person not associated with the company, such as a family member, business colleague or a friend	63
Email	30
Face-to-face with a representative, such as a salesperson in a retail store or dealership	15
Website(s) of the company	12
Texting	11
Public online social networking sites, such as Facebook, LinkedIn or MySpace	9
Online message boards, discussion forums, chat rooms, blogs, and wikis	8
Independent websites that have reviews, such as Trip Advisor or Amazon	7
Private social networking sites, such as customer communities	5
Other	11

Note: Multiple responses accepted

TABLE 9

LIKELIHOOD TO PURCHASE AGAIN

"Suppose that you were shopping for that same category of product or service. Based on your recent experience, would you say you would be…?"

Base: All adults

	Total	Communicated about experience		Recommend	
		Positive	Negative	Yes	No
	%	%	%	%	%
MORE LIKELY TO PURCHASE (NET)	**60**	**76**	**24**	**79**	**24**
Definitely more likely to purchase same product/service again	40	57	9	56	15
Somewhat more likely to purchase same product/service again	20	20	14	22	9
Neither more nor less likely to purchase same product/service again	14	11	20	9	10
LESS LIKELY TO PURCHASE (NET)	**13**	**5**	**46**	**6**	**63**
Somewhat less likely to purchase same product/service again	6	2	22	2	22
Definitely less likely to purchase same product/service again	7	3	24	4	40
It is too soon after the purchase for me to know whether I would repurchase that product/service again	13	8	10	6	2

Note: Percentages may not add to 100% due to rounding

Methodology

The Harris Poll was conducted online within the United States March 9 and 16, 2009, among 2,355 adults (aged 18 and over). Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

These statements conform to the principles of disclosure of the National Council on Public Polls.

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***The Harris Poll*® #60, June 15, 2009**
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