MEDIA MYTHS & REALITIES:

2008 MEDIA USAGE SURVEY

April 23, 2009

Ketchum

USC ANNENBERG
Strategic Public Relations Center

Goals and Objectives

- This presentation is part of a larger study on media consumption trends conducted in the United States, London and Brazil by Ketchum and the USC Annenberg Strategic Public Relations Center. This survey explores gaps in media usage between communicators and the General Population within the U.S. since its 2006 benchmark*. Specifically, we seek to learn:
  - The types of media consumers are going to for information, and the media channels corporations place information, and how that has changed in the last year
  - The types of media consumers find most credible, as compared with the types of media organizations find most effective for delivering information
  - The key elements of a news story that generate the greatest credibility
  - The extent to which organizations view themselves as content providers
  - The power of influencers and opinion leaders
  - Identify segments in the U.S. population and explore how each consume media.
  - How media channels affect voting decisions in the 2008 Presidential Election

***This study was also fielded in 2007; trends in media consumption and credibility have been consistent year over year. For the purposes of this presentation, gaps between 2006 and 2008 were analyzed.**

Methodology: General Public and Influencers

- Online distribution to:
  - US: Sample of 1000 adult Americans (General Population) with an over sample to reach 200 Influencers.
    - Influencers = the 10%-15% of the population who exercise influence and control the levers of change in society as defined by Roper.
- Survey field dates:
  - September 30 – October 14 , 2008
- Results are representative of and projectable to the U.S. GP, with a margin of error of +/- 3% at a 95% confidence level.

Methodology: Professional Communicators

- Online distribution to:
  - 500 communications and marketing industry professionals with:
    - Responsibility for what their company communicates to external audiences in terms of company news, products and services, stock information, corporate earnings, and other announcements
    - Five or more years of experience in the communications or marketing fields

- Number of employees working in respondents' companies:

0-499	38%
500-999	18%
1000-4,999	20%
5000-9,999	9%
10,000+	14%

- Industries: Percent of responses in each industry:

Aerospace/defense:	1%	Agriculture:	1%	Automotive:	1%
Banking/financial:	8%	Beverages:	1%	Business services:	9%
Chemicals:	1%	Computers:	5%	Construction:	6%
Consumer products:	4%	Education:	5%	Electronics:	1%
Energy:	1%	Environment:	1%	Food:	1%
Health care:	8%	Manufacturing:	9%	Insurance:	3%
Leisure:	1%	Media:	2%	Not for profit	5%
Pharmaceuticals:	1%	Real estate:	3%	Retail	8%
Security products:	1%	Telecommunications:	4%	Transportation:	1%
Other:	9%				

Key Questions to be Answered

Key Questions

1. Is traditional media dead?
2. How are influencers different and what influences them?
3. How does media consumption vary among people of different ages?
4. How credible are digital/social channels?
5. How do consumers' media choices affect their purchase decisions?
6. What are the trends in consumer choice?
7. What are the trends in credibility?
8. How do professional practices compare with consumer preferences?
9. Are there psychographic distinctions in the population when it comes to media consumption?
10. How does all of this affect the practice?

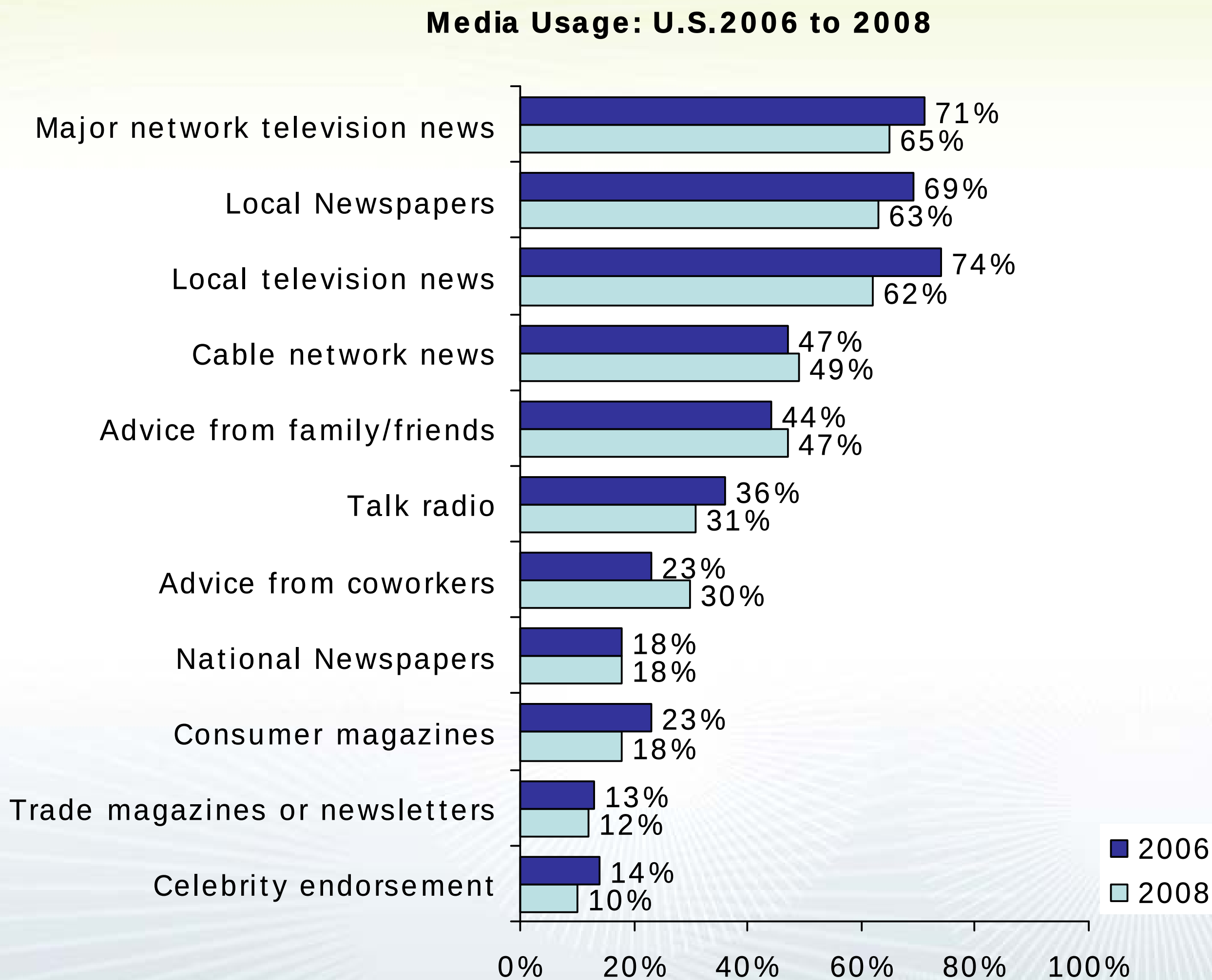
Key Takeaways

- Traditional media is not dead but declining.
- Media, and audiences, are becoming more fragmented.
- Personal channels (human-to-human) are crucial to success.
- Influencers devour all media to an astonishing degree.
- Digital media channels are growing among all demographics, from digital natives to surfing social seniors.
- Shopping sites are now media destinations unto themselves.
- Search engines have become standard sources of information
- Despite the hubbub, use of mobile for information is minimal and flat.
- A gap exists between consumer preferences and professional practices.

How is Media Consumed?

Use of Traditional Media: 2006 vs. 2008

- Downward spiral continues at a rapid pace
- Usage still substantial
- Human channel remains strong
- Only major increase: advice from co-workers



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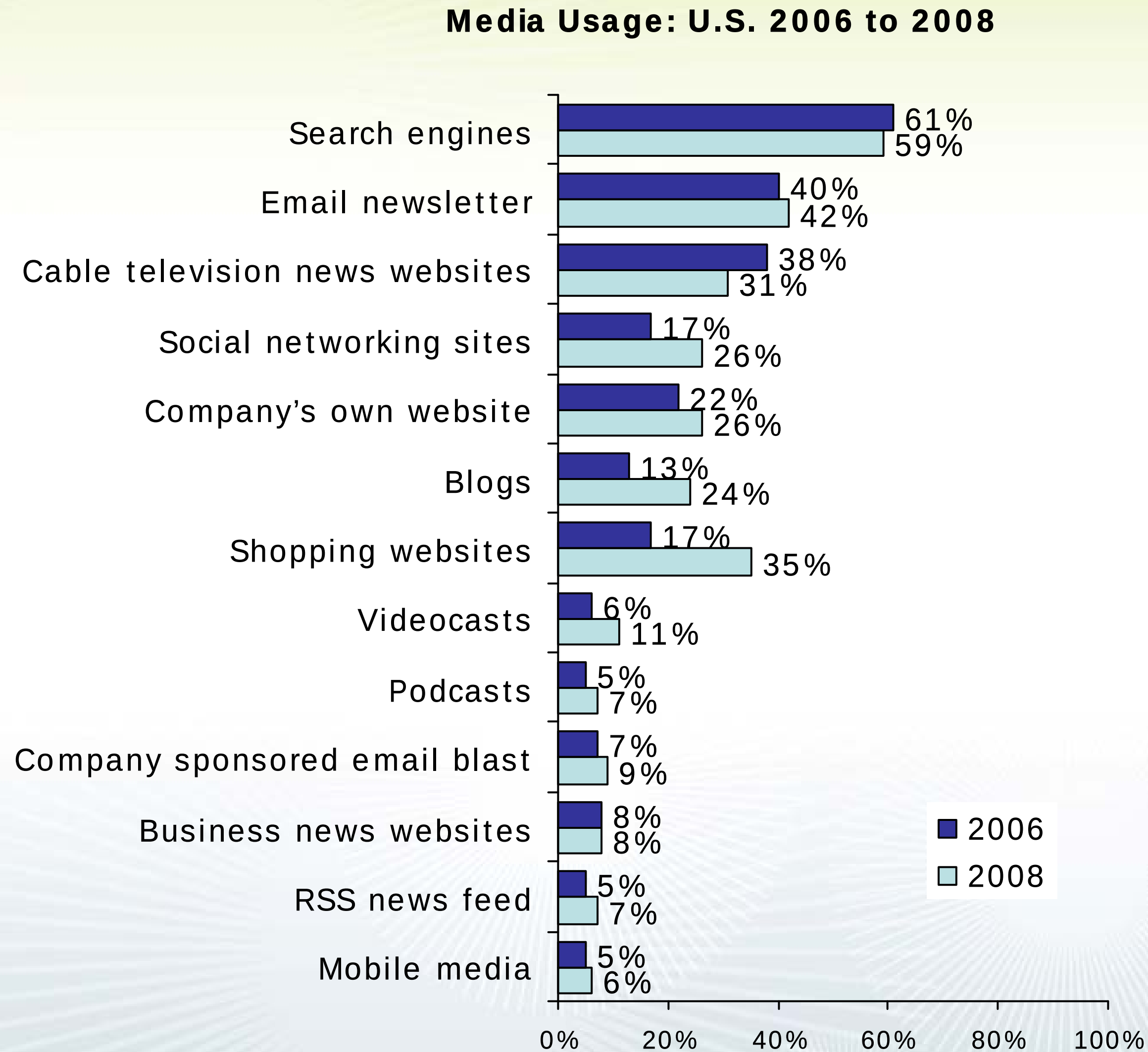
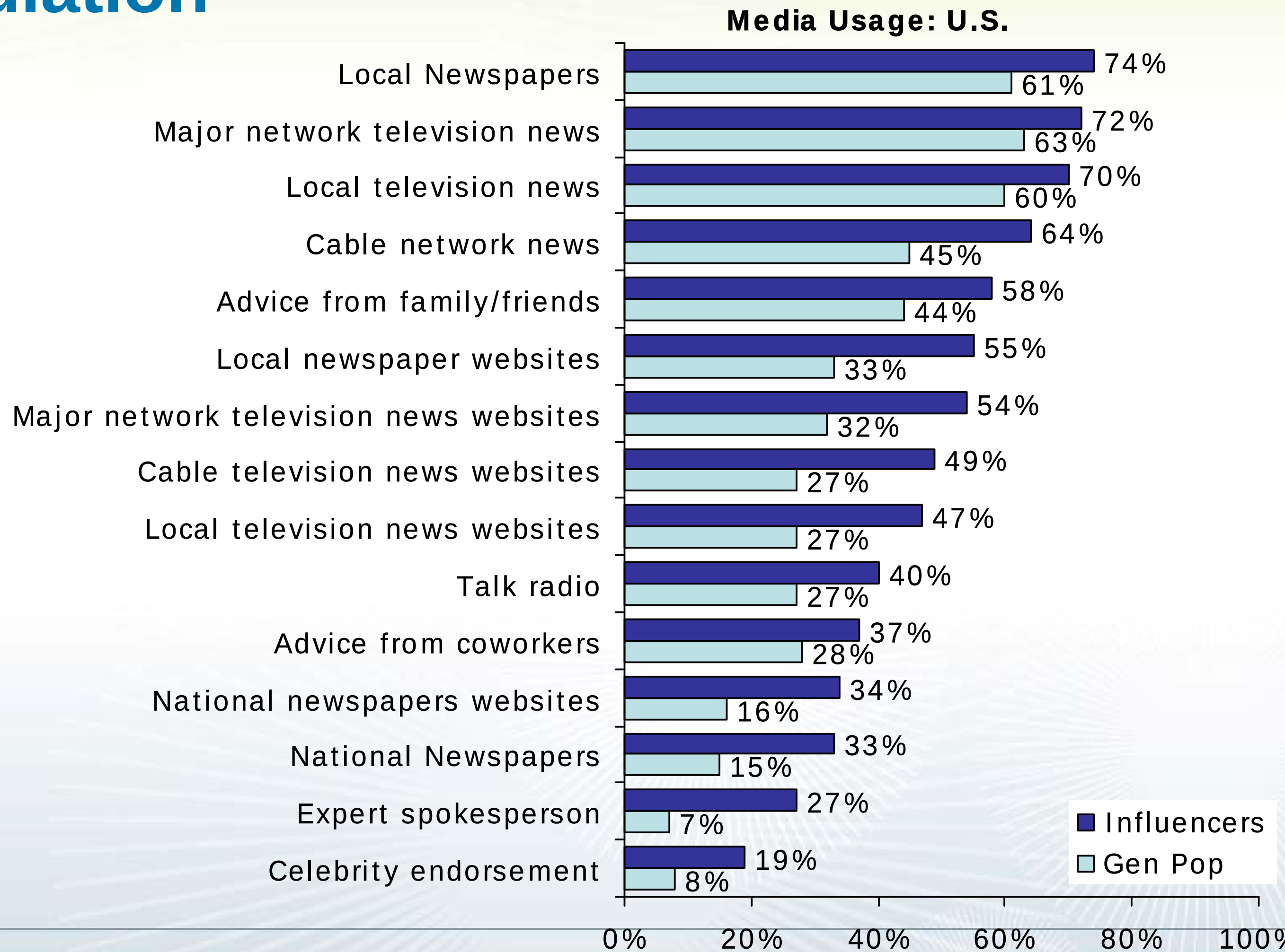
Use of Digital/ Social Media: 2006 vs. 2008

- Shopping sites now critical online info sources; 44% of those who visit shopping sites read consumer-generated reviews of products and services
  - The opportunity exists for PR professionals to engage supportive consumers
- Blogs, social media now well established sources



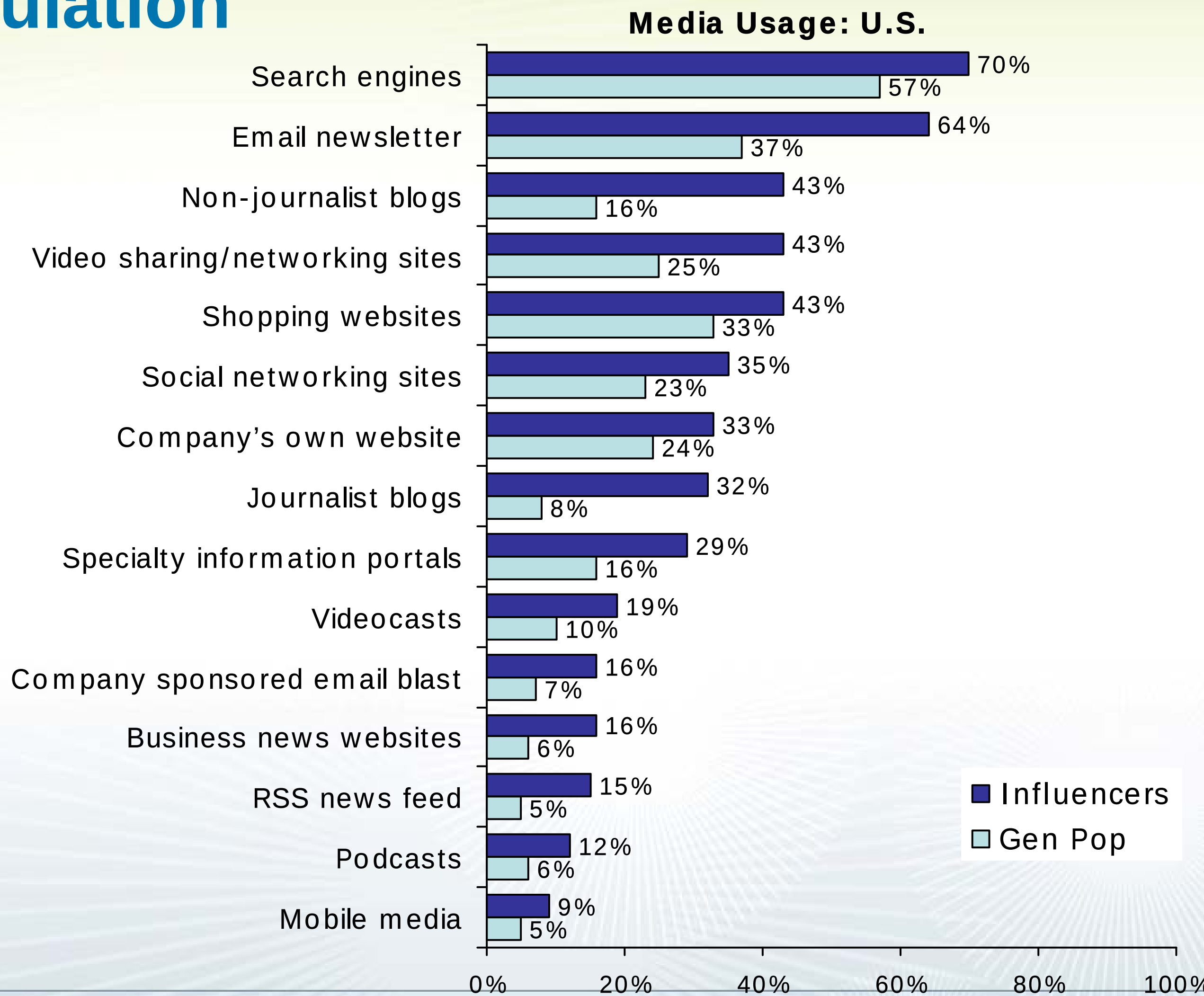
General Media Consumption: Influencers vs. General Population

- Influencers: voracious media consumers
- Rely more on person-to-person channels
- Heavy users of traditional media's on-line versions
- PR Implication: use all available channels to reach them



Digital/Social Media Consumption: Influencers vs. General Population

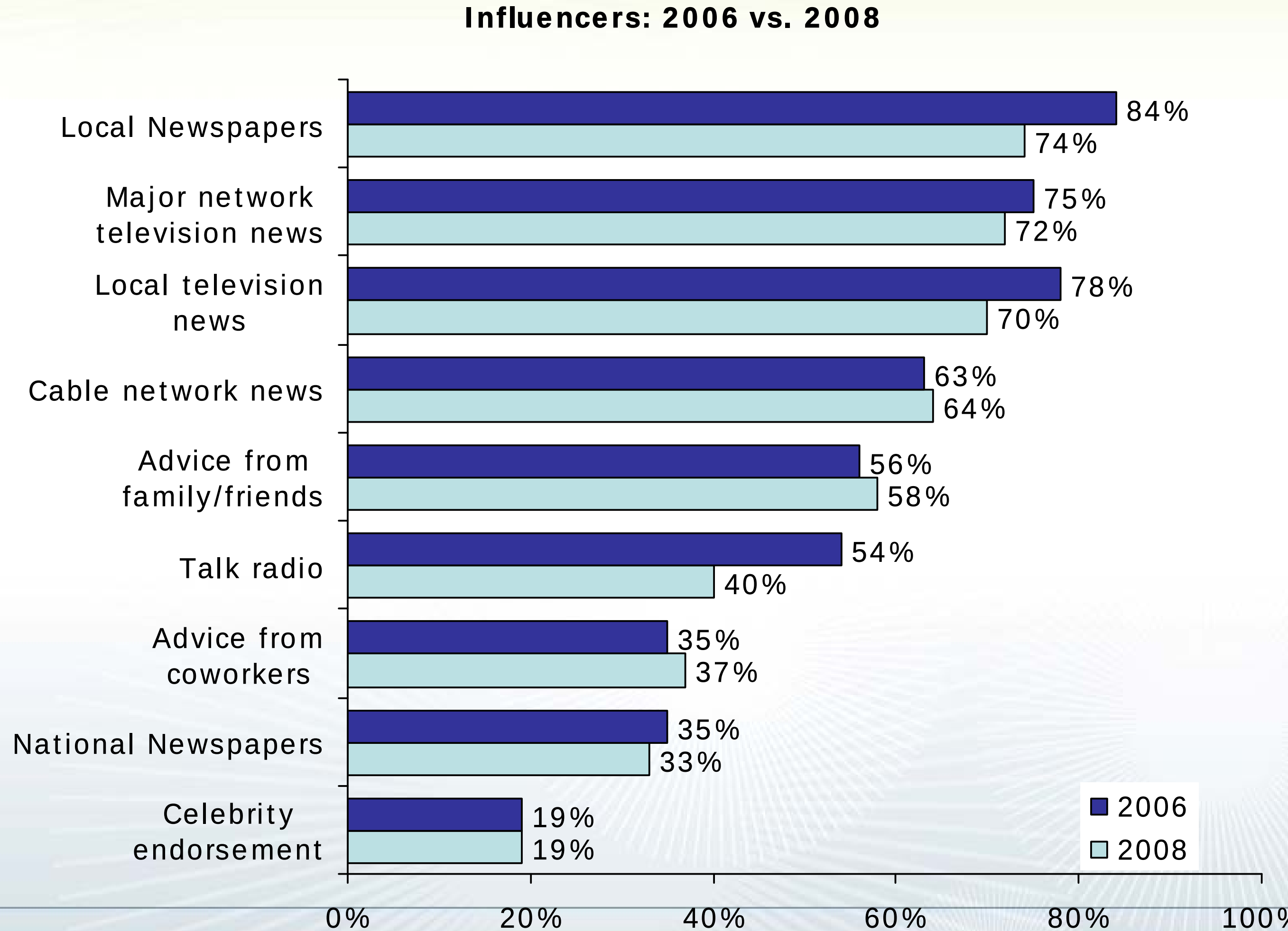
- Influencers often use newer channels at 2X the GP rate
- Favor non-journalist blogs
- Shopping sites are info destinations
- PR Implication: Rethink everything!



Influencers: 2006 vs. 2008

Traditional Media

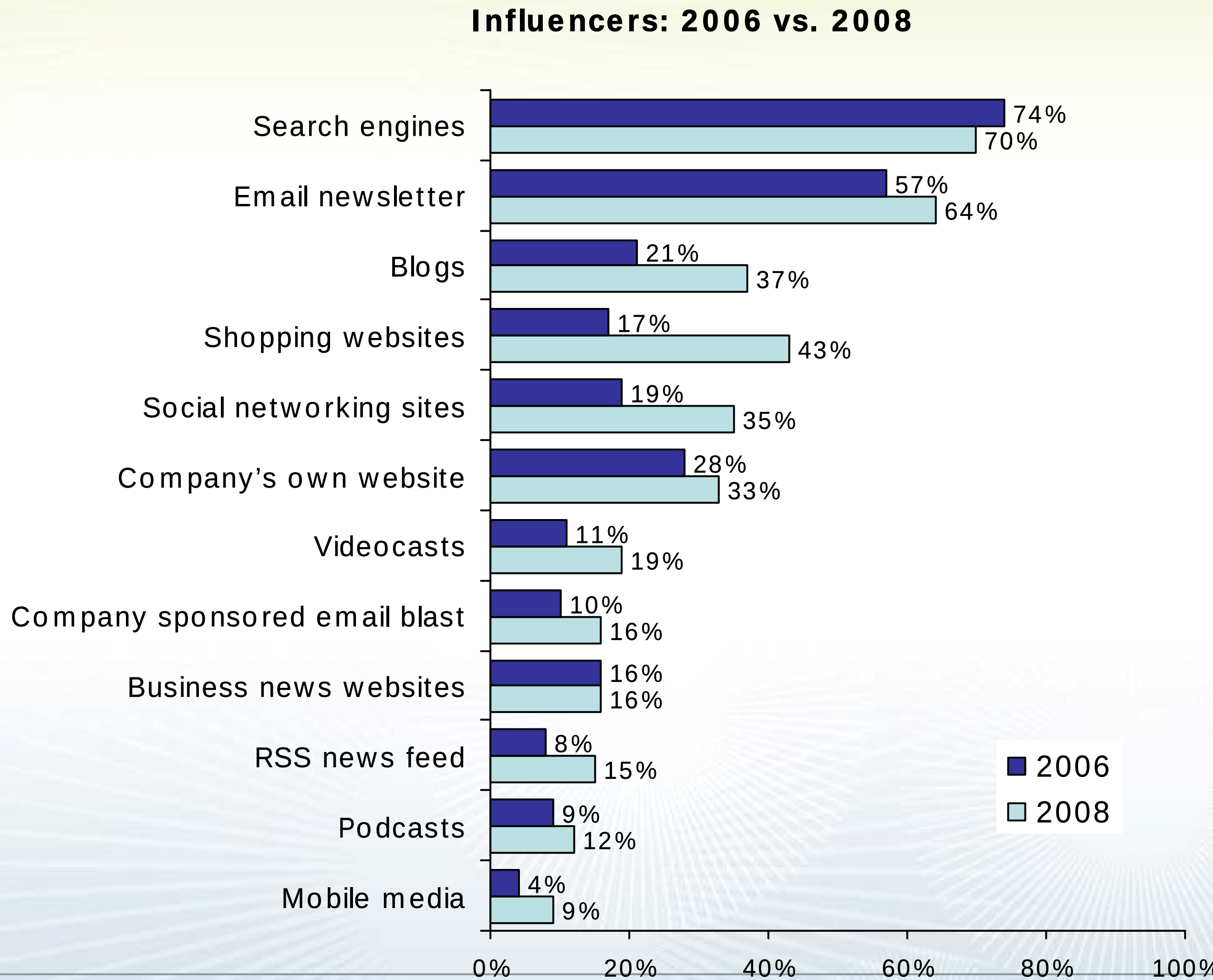
- Influencers consumption of some traditional media has eroded to some degree
  - There was a sharp decline in talk radio
- The human channel remains strong



Influencers: 2006 vs. 2008

Digital/Social Media

- Influencers continue to embrace social and digital media
  - Blogs, shopping websites and social media are big winners with influencers
  - Podcasts, videocasts and mobile media are gaining ground, but at a slower pace



General Media Consumption: Age Factors

- Traditional channels are losing younger consumers; in some cases, they never had them!
- Where have the seniors gone?

Age Group	18-24		25-34		35-44		45-54		55-64		65+	
	2006	2008	2006	2008	2006	2008	2006	2008	2006	2008	2006	2008
National newspapers	16%	11%	19%	19%	17%	17%	19%	20%	25%	26%	17%	18%
Local newspapers	52%	34%	64%	58%	66%	64%	71%	69%	79%	81%	83%	72%
Major network television news	60%	48%	73%	59%	71%	66%	73%	67%	73%	79%	78%	71%
Local television news	59%	46%	69%	52%	75%	55%	77%	70%	79%	81%	82%	71%
Cable network television news	41%	31%	48%	48%	43%	50%	51%	53%	48%	54%	53%	54%
Talk radio	32%	23%	37%	32%	33%	32%	36%	33%	37%	44%	42%	25%
Business news websites	9%	7%	13%	11%	3%	7%	7%	7%	10%	9%	9%	8%
Cable news websites	31%	23%	42%	33%	39%	34%	38%	33%	37%	33%	40%	31%

Digital/Social Media Consumption: Age Factors

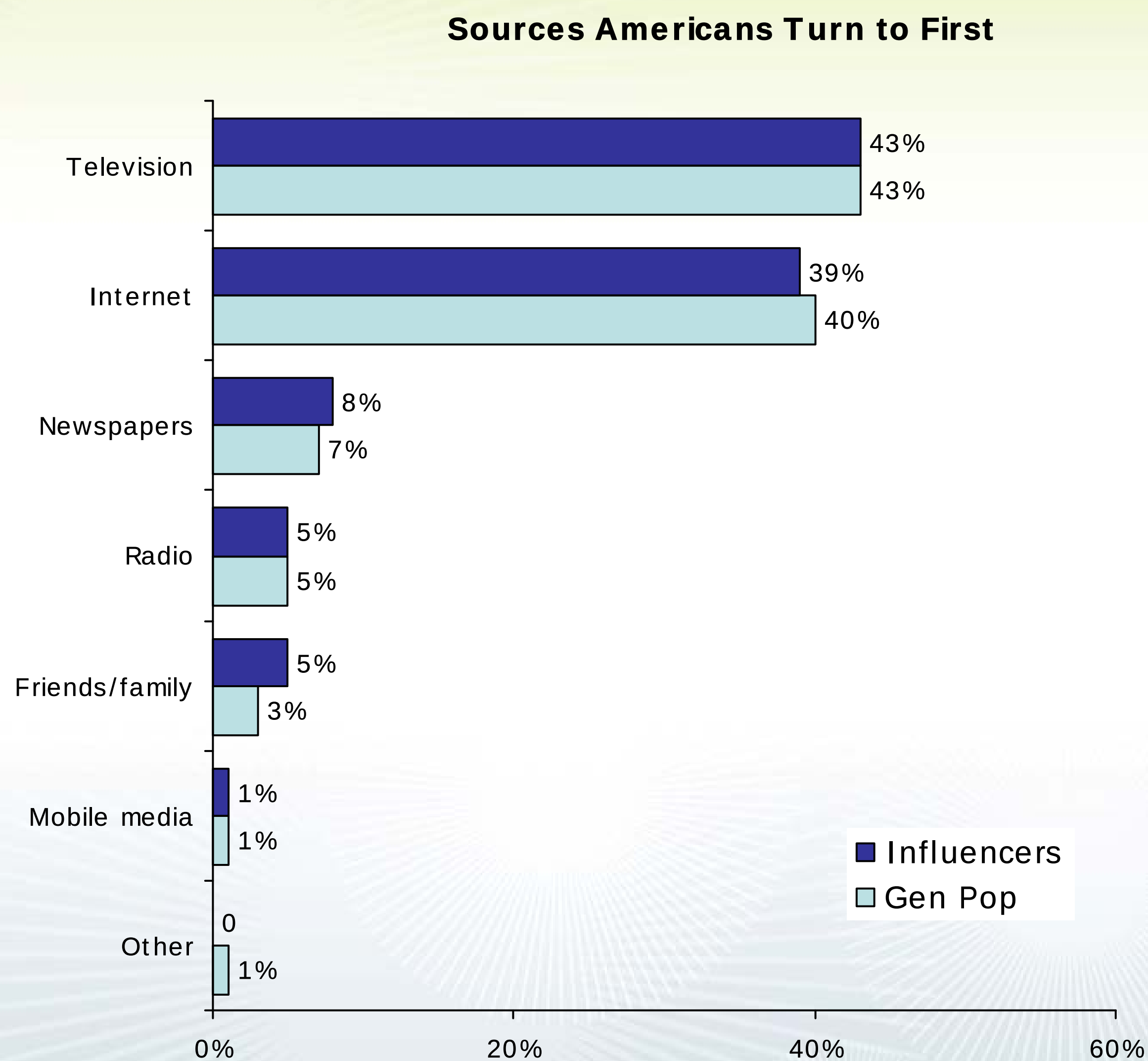
- The seniors (and many others 44+) have gone on-line!
- Are search engines flattening out among young people?

Age Group	18-24		25-34		35-44		45-54		55-64		65+	
	2006	2008	2006	2008	2006	2008	2006	2008	2006	2008	2006	2008
Blogs	19%	17%	24%	26%	10%	22%	11%	28%	7%	23%	8%	28%
Social networking sites	42%	34%	31%	38%	15%	22%	10%	28%	4%	21%	1%	9%
Podcasts	8%	5%	10%	9%	5%	6%	3%	6%	2%	6%	1%	7%
Videocasts	7%	6%	11%	17%	5%	9%	5%	11%	4%	19%	2%	7%
Mobile media	11%	6%	10%	13%	4%	5%	1%	4%	2%	4%	0%	-
Advice from family/friends	51%	49%	51%	46%	46%	46%	44%	49%	39%	58%	30%	35%
Advice from coworkers	32%	24%	30%	37%	28%	37%	25%	35%	16%	34%	6%	9%
Search Engines	67%	47%	63%	61%	61%	55%	62%	67%	54%	66%	55%	58%
Company websites	21%	17%	28%	29%	25%	30%	26%	34%	18%	28%	8%	13%

***Please note small sample sizes in the above age breaks. Please use data directionally**

First Choice News and Information Sources: Influencers vs. General Population

- TV, Internet set the pace for both
- Print totally overshadowed
- Radio: surprisingly weak
- Mobile: a non-factor



First Choice News and Information Sources: Location

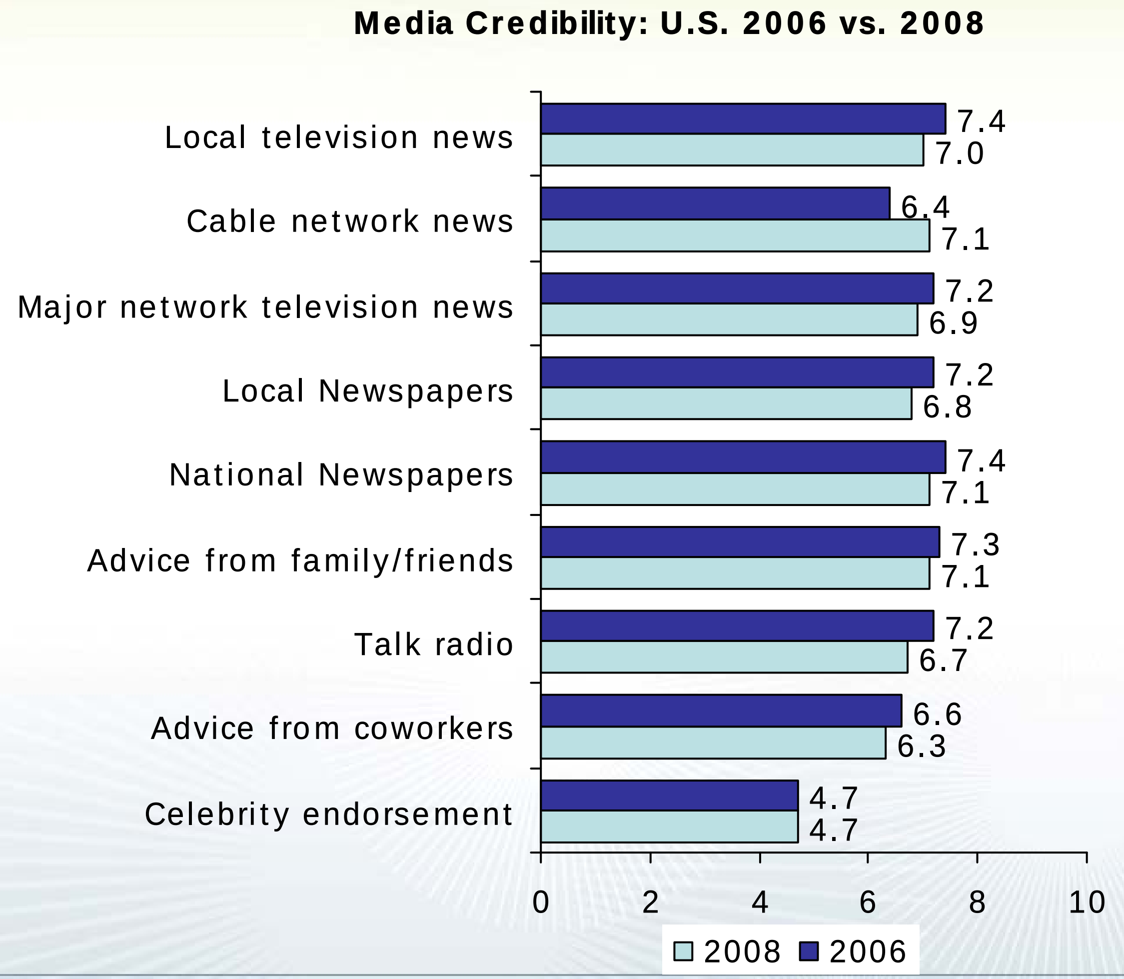
- Preferred channels vary according to location and situation
- BUT, instant information access is nearly ubiquitous
- Remaining barriers will fall as Internet access spreads

	Office		Home		Car/train		On a plane		On vacation	
Device Used for Information/News: U.S.	25-34	45-54	25-34	45-54	25-34	45-54	25-34	45-54	25-34	45-54
Mobile Media	9%	8%	2%	-	27%	24%	20%	21%	12%	8%
Television	28%	28%	72%	85%	5%	1%	14%	11%	58%	70%
Radio	19%	25%	7%	8%	75%	84%	13%	7%	12%	25%
Newspaper	26%	32%	14%	27%	30%	33%	66%	77%	36%	44%
Internet	79%	69%	83%	68%	15%	6%	19%	14%	55%	38%
Friends/Family	31%	33%	20%	12%	41%	45%	49%	48%	23%	13%
Other	8%	6%	2%	1%	7%	7%	20%	23%	6%	3%

Media Channel Credibility

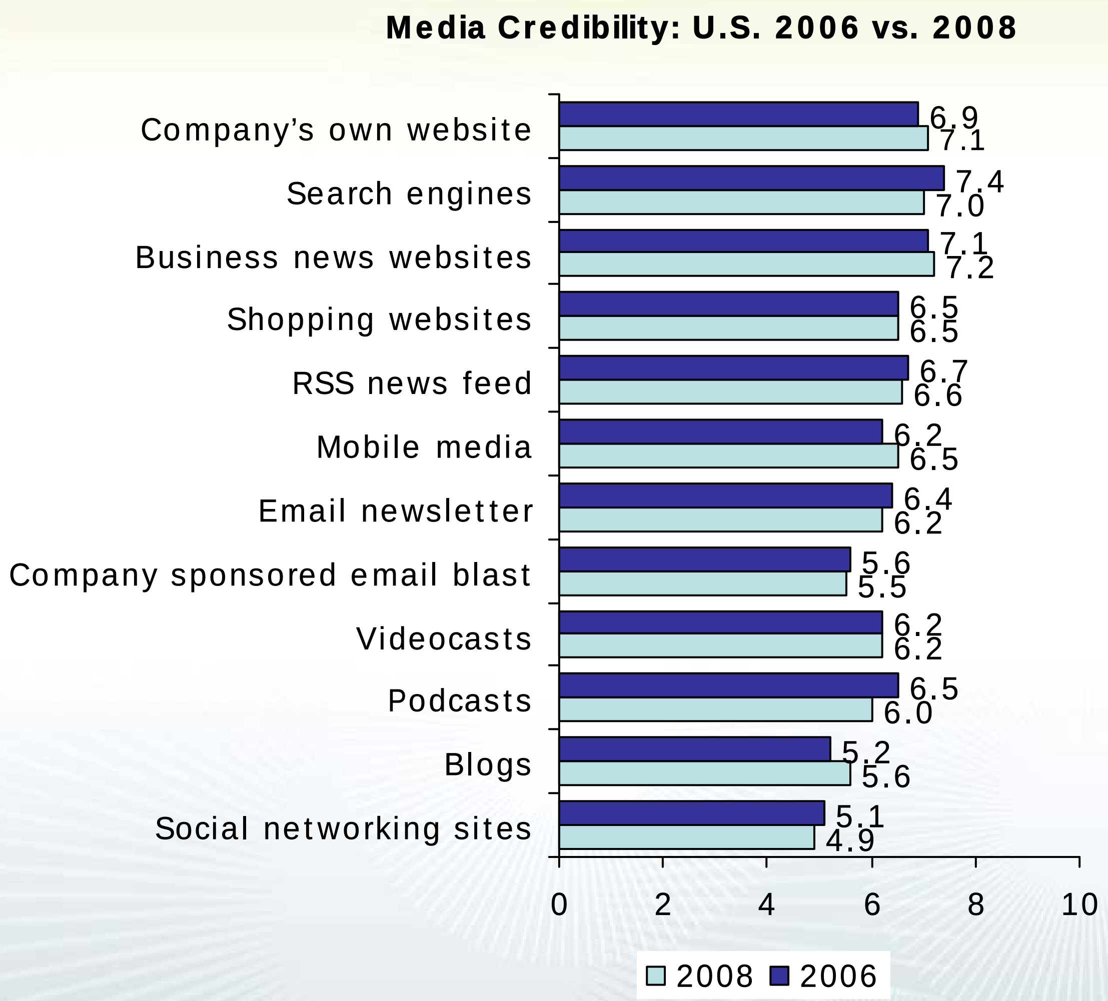
General Media Credibility: 2006 vs. 2008

- Trust in traditional media remains fairly high
- Only one increased: cable network news
- Seven decreased
- Celebrities consistently less credible



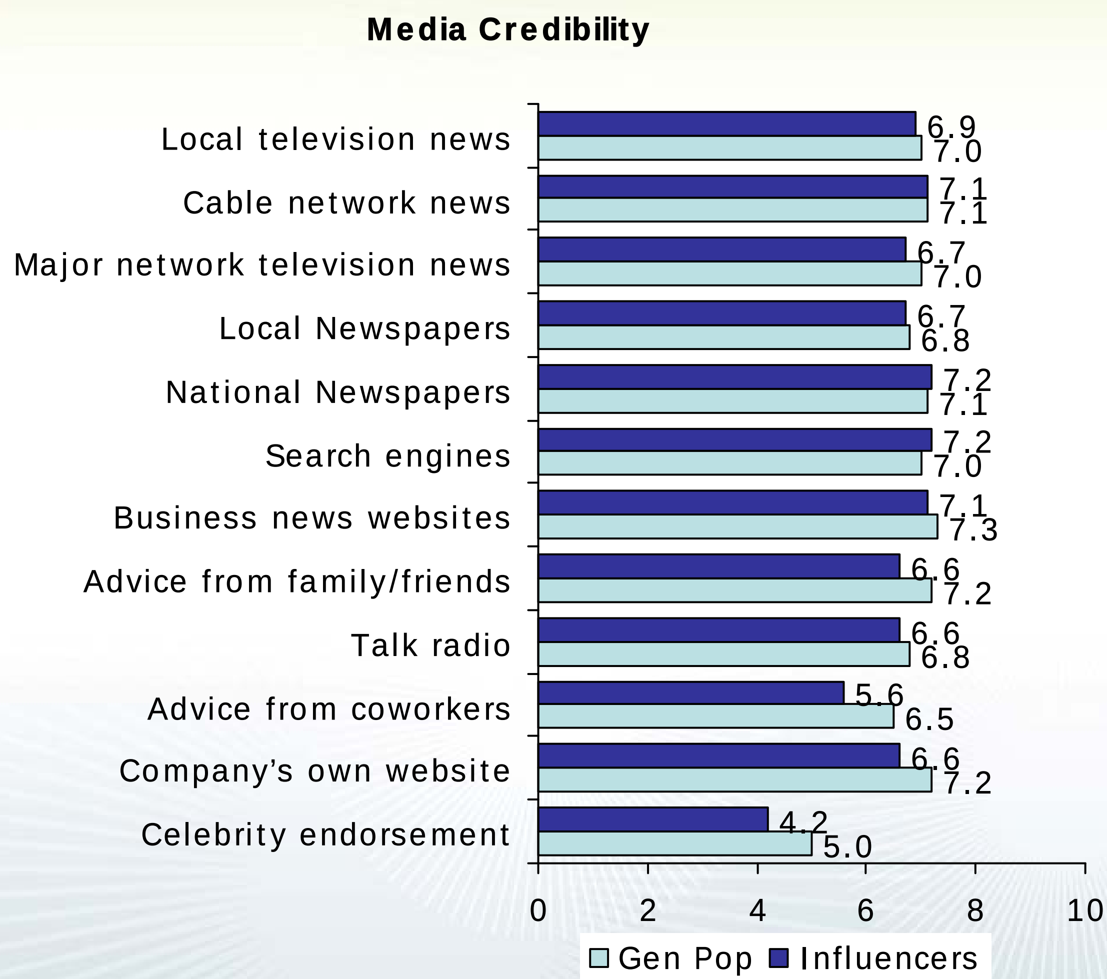
Digital Media Credibility: 2006 vs. 2008

- Credibility remains mixed
- Up: company's own websites, mobile media, blogs
- Down: search, email news, podcasts, social networks
- Shopping websites do well: driven by CGC?



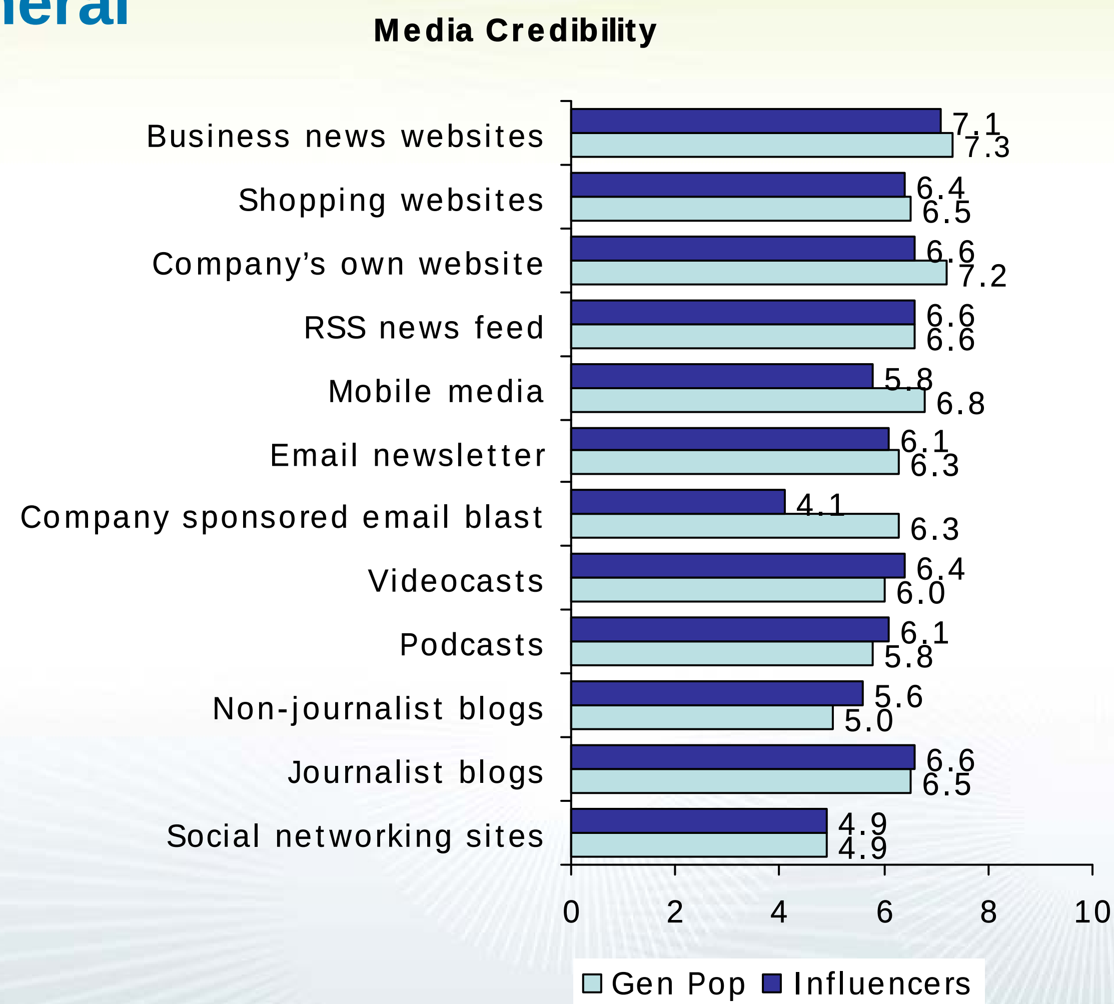
General Media Credibility: Influencers vs. General Population

- Influencers substantially less trusting of personal sources than GP
- GP substantially more trusting of company websites
- Highest:
  - Influencers: national papers, search engines
  - GP: Bus. News sites
- Lowest (all): celebrity endorsements



Digital Media Credibility: Influencers vs. General Population

- GP generally more trusting than Influencers
- Influencers much less trusting of company websites, company email, non-journalist blogs
- Both: journalists' blogs much more trusted than non-journalists'



Consumer Preference
vs.
Professional Practice

Consumer Preference vs. Professional Practice: Channels Preferred by Consumers When Making Important Decisions

- Top-box response, rely on heavily to make final purchase decision.

Consumers: Reliance on communication channels	Healthcare decisions	Making healthy food choices or products	Purchase of a company's stock	Purchase of a product or service based on its environmental impact
Paid Advertising	*8%*	*15% (5)*	*6%*	*13%*
Product labeling and/or packaging	27% (5)	48% (2)	8%	32% (3)
News services (newspapers, radio, T.V., etc.)	30% (4)	32% (3)	26% (2)	34% (1)
Friends and family	52% (1)	52% (1)	28% (1)	33% (2)
Mailed promotions or coupons	12%	26% (4)	6%	16% (5)
In-store promotions	13%	26% (4)	6%	15%
Social networking media (Facebook, MySpace, etc.)	*7%*	*7%*	*5%*	*7%*
Information found on blogs	*9%*	*9%*	*8%*	*12%*
Search engines (like Google or Yahoo)	33% (3)	26% (4)	21% (5)	28% (4)
Information found on websites	38% (2)	32% (3)	24% (3)	33% (2)
Other	26%	26% (4)	22% (4)	16% (5)

Consumer Preference vs. Professional Practice: Channels Preferred by Consumers When Making Important Decisions

- PR-influenced sources do far better than paid advertising, direct mail, in-store promotions, etc.
- Tightness of scores and rankings suggests multiple inputs
- Social networking and blogs play limited roles, but are increasingly turned to; what's their role?
  - Depends on definition: are CG review sections on Amazon a form of network?
  - Play important role in awareness, credibility, and relationship building, but don't close the sale
- The consensus Top 5 (not in rank order):
  1. Friends and family (PR's role: influence influencers, build buzz, etc.)
  2. Information found on websites (PR's role: develop strategy, content, etc.)
  3. Search engines (PR's role: SEO)
  4. News services (PR's role: media relations, publicity, etc.)
  5. Product labeling and/or packaging (PR's role: promote features and benefits)

Consumer Preference vs. Professional Practice: Do Professional Communicators Deliver Information in the Ways Consumers Want It?

Consumers rely on the human channel, local media and the web to make important decisions. Communicators place high importance on some, but not all, of these channels.

Consumers: Ranked sources used when making a purchase decision (GPQ5)	Buying a product based on its environmental impact
Advice from friends and family	1
Search engines	2
Company's own website	3
Major network T.V. news	4
Local newspaper	5
Advice from co-workers	6
Local T.V. news	7
Major network T.V. websites	8
Expert spokesperson	9
Local community event	10

Communication Professionals: Priority of communication channels (IPQ2)	Marketing a product based on its environmental impact
Buzz marketing/word-of-mouth marketing	1
Search engine optimization	11
Website development	8
Outreach to national media	15
Outreach to local media	3
Identification and communication with key influencers	10
Event marketing	6

The above rankings for Communications Professionals are based on Top-3 box answers, and consumers are ranked on their use of the top three sources of information

Consumer Preference vs. Professional Practice: Do Professional Communicators Deliver Information in the Ways Consumers Want It?

Consumers rely on the human channel, local media and the web to make important decisions. Communicators place high importance on some, but not all, of these channels

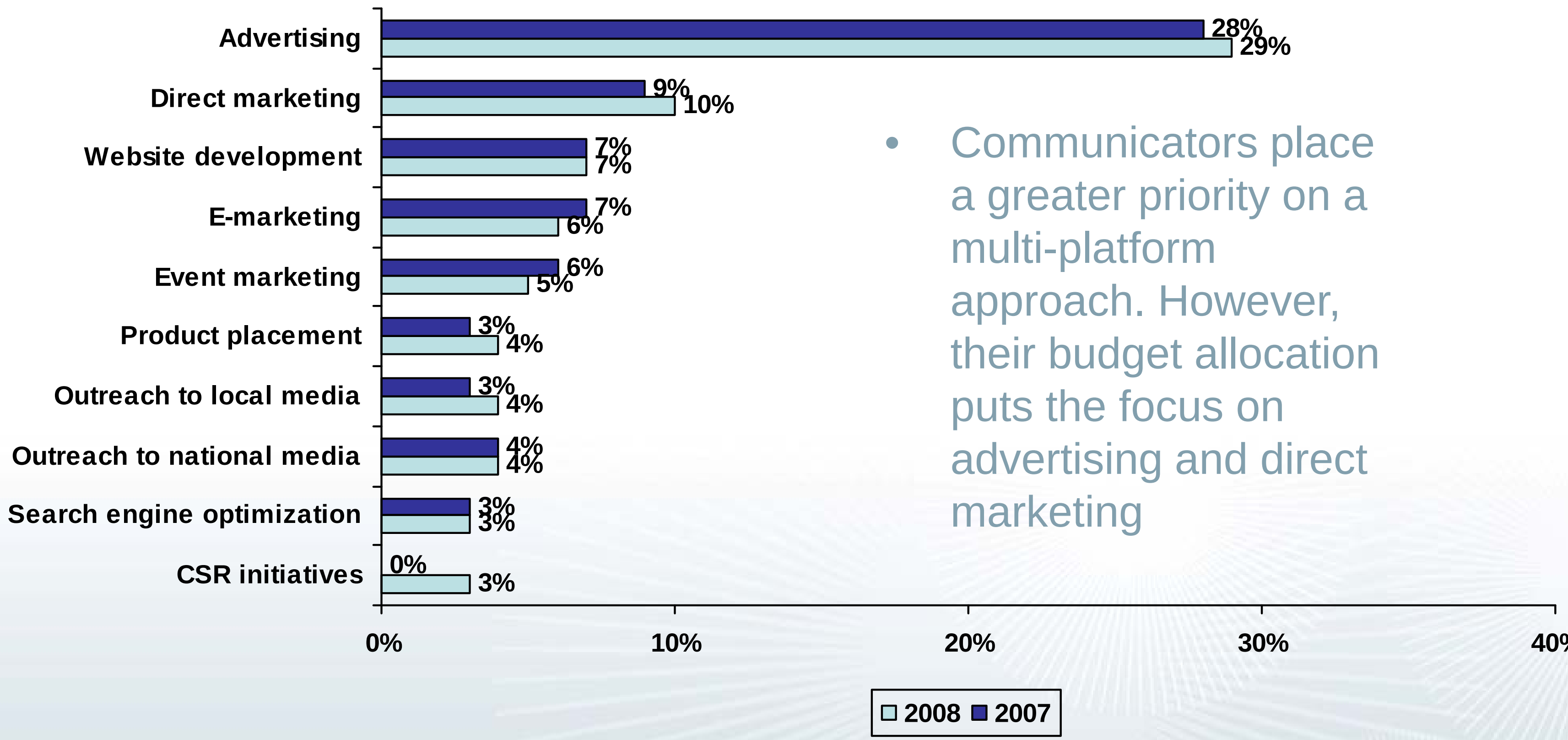
Consumers: Ranked sources used when making a purchase decision (GPQ5)	Learned about a change in a company's leadership or financial performance
Major network T.V. news	1
Advice from friends and family	**2**
Company's own website	3
Search engine	**4**
Local newspaper	5
Local television news	6
Cable network news	7
Advice from co-workers	8
Major network T.V. news websites	9
Talk radio	10

Communication Professionals: Priority of communication channels (IPQ2)	Releasing corporate earnings, announcing executive leadership changes, M&As
Outreach to national media	2
Buzz marketing/word-of-mouth marketing	**11**
Website development	8
Search engine optimization	**14**
Outreach to local media	2
Outreach to local media	2
Outreach to national media	2
Buzz marketing/word-of-mouth marketing	11
Outreach to national media	2
Outreach to national media	2

The above rankings for Communications Professionals are based on Top-3 box answers, and consumers are ranked on their use of the top three sources of information

Consumer Preference vs. Professional Practice: Budgeting Trends

Communications Budget Allocation: 2007 vs. 2008



- Communicators place a greater priority on a multi-platform approach. However, their budget allocation puts the focus on advertising and direct marketing

2008 Media Myths and Realities Study: Conclusions

Observations: Traditional Media

- Remain important but dominant role ending (or has ended)
- More credible than digital/social media categorically
- Traditional brand online platforms more credible than non traditional
  - Many exceptions (Huffington Post, Daily Kos, topic-specific sites, etc.)
- Movement from mass media to massively participatory media

Observations: Digital/Social Media

- Increasing in use but still less credible (with many exceptions)
- Established sources (i.e. journalists' blogs) more credible than non
- Not all are equal
  - Networking is taking off
  - Information downloads/streams (podcasts, webcasts) are static
- Online shopping sites are information sources, not just stores
  - CGC-driven trust meliorates commercial context
- For breaking news, T.V. and Internet strategies now equally important
  - Strong visual elements needed for both

Observations: Digital/Social Media

- Sweeping generational generalities no longer apply
- – GenX and GenY leading the digital transformation
- – Boomers catching up fast
- – Social Surfing Seniors are on the move
- – It's for everyone!
- At work, GenY and Boomers consume information in similar ways
  - Outside the office they go their own ways, informationally
  - Use efficient, effective daytime strategies to reach all

Observations: Digital/Social Media

- If their importance is still doubted, study
  - '08 presidential election
  - Growth of product user communities - supportive AND critical
  - Emergence of highly credible CG product reviews on shopping sites
    - Enhance credibility of site's own brand
  - Migration of classified advertising
  - United Airlines' false bankruptcy
  - Apple's product leak problems

Observations: Influencers

- Influencers
  - Consume all media all the time
  - Use online sources (traditional and new) much more heavily, but say they're less credible as a category
    - "Who is credible" varies with situation, industry
    - Established sources are more far authoritative
- Many professionals are missing the mark
  - Traditional channels, methods (i.e. advertising) over-emphasized at the expense of social and search strategies

Observations: Overall

- As media options and usage increase, credibility lags
  - More voices = information overload = credibility void
- Celebrity power?
- Professional communicators not adapting fast enough to changing landscape; MUST incorporate
  - SEO strategies
  - CGC strategies
  - Stakeholder interaction strategies
  - Influencer strategies
  - Strong visuals

For PR, Opportunity Knocks

- Monologue giving way to dialogue
- The opportunity for PR: unmediated interaction with stakeholders
- The challenge: mastering the necessary techniques
- The dilemma: whose territory is it?
- The answer: it should belong to he/she who…
  - Communicates contextually, not blatantly commercially
  - Understands relationships and dialogue
  - Can communicate effectively with influencers
  - Communicates in long, rather than short form
  - Has experience with uncontrolled communication environments

For PR, Risk Abounds

- *In a world without intermediaries we have an enormous responsibility to communicate*

  - *Honestly*
  - *Transparently*
  - *As effective advocates*
  - *And in the public interest*

- *A delicate balance, indeed*

Are we ready???

For more information on this survey, please contact:

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