

# Brand New World

Review of Brand New World 1.0 and overview  
of what's to come from Brand New World 2.0

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2 years ago Brand New World 1.0 showed that as a result of their online experience consumers were becoming less brand loyal and were willing to switch to new brands – irrespective of whether the final purchase was made on or offline.

Brand New World 2.0, due in November of 2006, is designed to provide solutions for marketers in how to deal with today's empowered consumer.

## The internet is modifying brand perceptions and purchasing behaviour, regardless of where the final purchase is made

This is the central finding of Brand New World, a joint research study of online consumers by AOL and Henley Centre. It provides a definitive insight into the ways in which the internet is changing both consumers' behaviours and attitudes to brands.

The full research study is available online containing detailed information, including brand segmentation and category analysis with downloads and resources:

[www.aolbrandnewworld.co.uk](http://www.aolbrandnewworld.co.uk)

## Key Consumer Insights

Consumers' brand perceptions are being altered by the internet.

Price information is important, but it is just one of many reasons why consumers research online.

Consumers are actively switching brands in their online and offline purchases as a result of using the internet.

Consumers consider some online information sources more important and trustworthy than offline information sources.

The internet increases the length of time the purchase process takes, and makes it more complex.

Trust is key to how consumers respond to online influences. It can significantly influence brand switching behaviour.

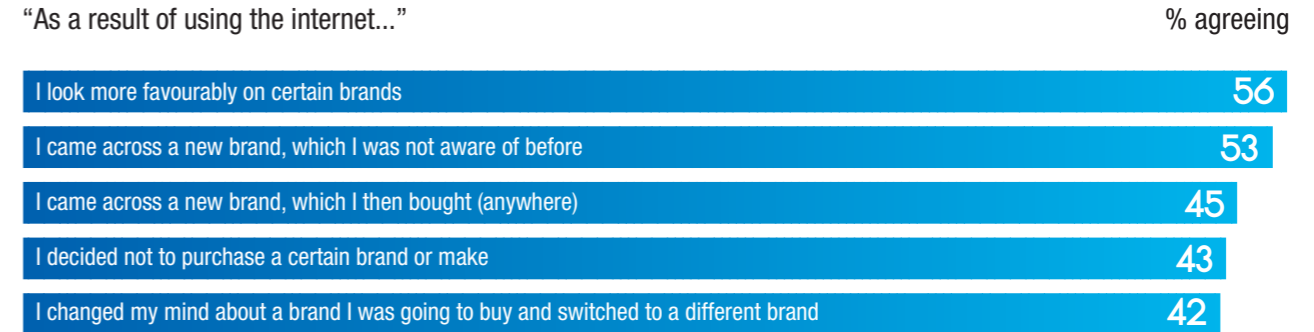
Consumers are receptive to different types of online information, including commercial sources.

# Brand

“ We have known for sometime that the internet is having a fundamental impact on the way people view brands ”

Andy Jonesco  
SVP, Audience, AOL UK

## Consumers' brand opinions are being altered by the internet

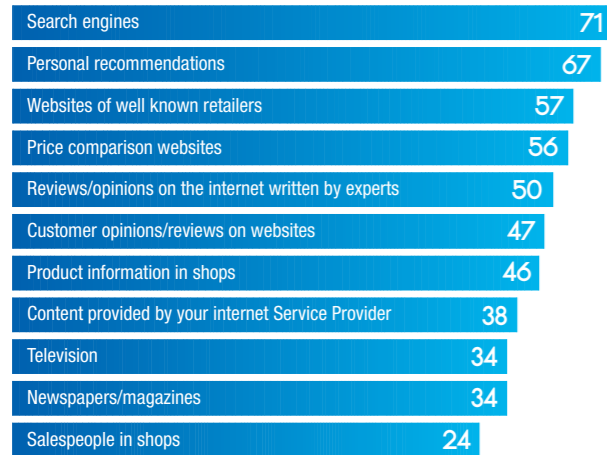


The internet is a double-edged sword for brands. It can enhance a brand's standing or it can lead to decisions not to purchase.

**77%** of online consumers agree that if they “saw a negative review on the internet about a product or brand I would think twice about buying it”.

## Some online information sources are considered more important than offline sources

% who consider the following to be important sources of information when researching/considering a product or service



Online information sources are key to influencing consumer brand opinions. Some online sources are considered more important than offline sources in researching products and services. For example, search engines are considered more important than personal recommendations for information gathering.

## Consumers are actively switching brands as a result of using the internet

**42%** of online consumers have changed their mind about a brand they were going to buy and switched to a different brand

“ I didn't think I'd get a loan via the Autotrader website. I had a loan previously with Lombard Direct. . . When I bought this car I checked Lombard out, then came on here and the quote [from the Co-op] was cheaper, so I thought, 'go for it'.”

Male, 40-50, Nottingham

Consumers switch brands as a result of using the internet, whether purchasing online or offline.

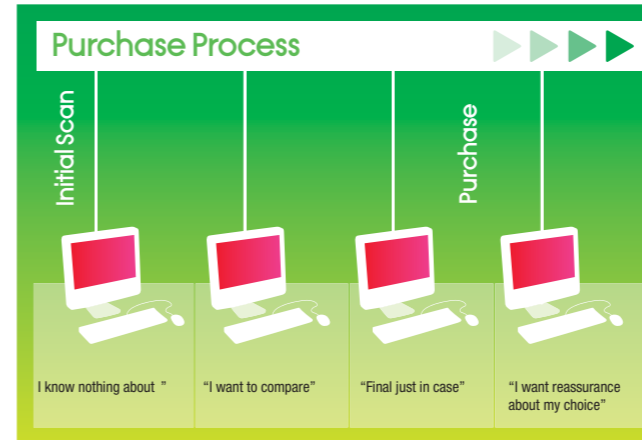
Find out more at:

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# Purchase Process

**74%** of online consumers have personally researched and looked for information about a product or service before making a purchase

Consumers actively use the internet for pre-purchase research – whether the final purchase is online or offline



The wealth of information available on the internet has made it a vital resource for pre-purchase research – whether the final purchase is online or offline. It has different functions in each stage of the purchase process.

Significantly, price is not the only reason people research products and services online.

69% use the internet to compare product features.

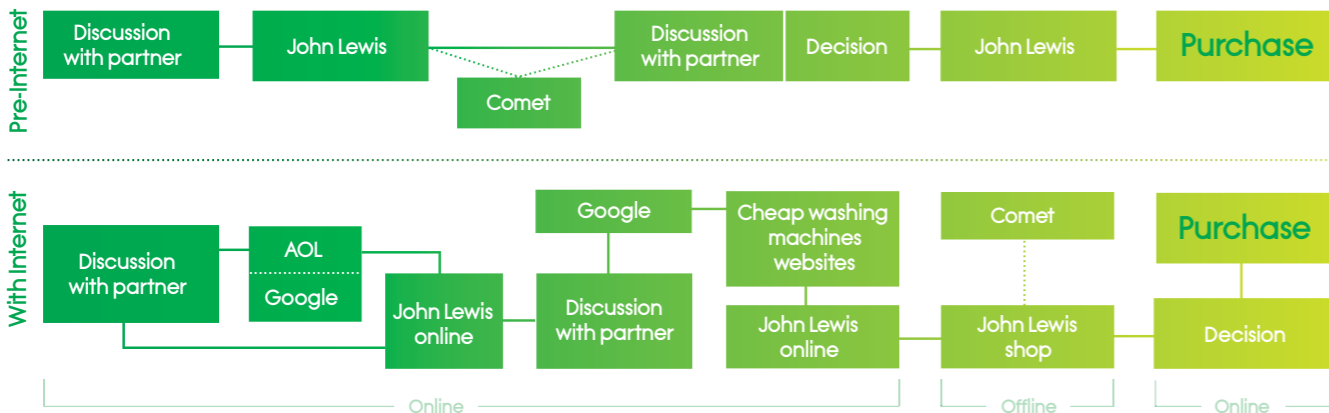
63% use the internet to learn about a product before discussing with a salesperson.

**76%** feel that the internet helps them make more informed purchase decisions.

74% of online consumers have researched/looked for information about a product or service before making a purchase.

# The internet is changing the purchase process structure

An Example of buying a washing machine

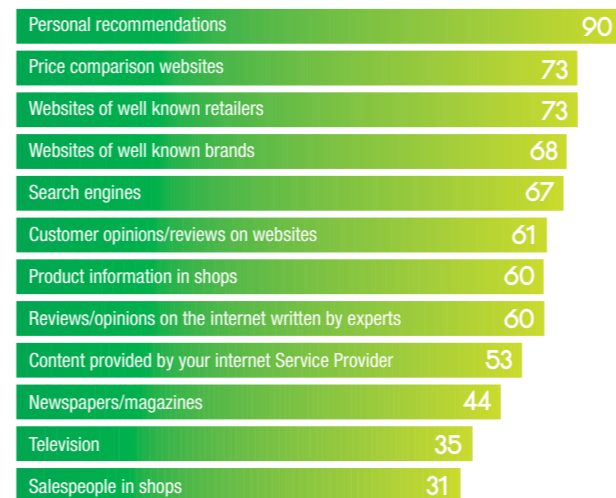


The research possibilities of the internet means that the purchase process model has changed, becoming more complex in some cases. Consumers feel that they now spend more time considering products or services.

**73%** of online consumers agree that 'I spend more time researching products now have access to internet'.

# Some online information sources are considered more trustworthy than offline sources

% who believe the following information sources are honest and fair



Consumers also consider some online information sources more trustworthy than some offline sources. Websites of well known retailers are trusted more than product information in shops.

## Trust is key to defining how consumers will purchase online

**80%** of online consumers prefer to buy on the internet from companies they already know

## When buying online, I will buy a product if...

I am familiar with the retailer	Yes	Yes	No	No
I am familiar with the product brand	Yes	No	Yes	No
	90%	82%	54%	13%

Trust is important for online purchasing. Consumers need reassurance at the point of purchase and this comes from either the retailer they are purchasing from, or the product brand they are purchasing.

Find out more at:

[www.aolbrandnewworld.co.uk](http://www.aolbrandnewworld.co.uk)

# Purchase Triggers

Information remains key to consumers. They want transparency in customer service. They express a need for competitive product and price information as well as consumer reviews. And they want seamless integration between online and offline shopping

## There are a number of important influences on a consumers' decision to buy online

% who think the following are important influences on their decision to buy over the internet



The quality of the website affects consumers' perception of the brand.

Consumers say privacy and security online is paramount, but they also want websites to be easy to use and to provide reassurance in the purchase (e.g. give the ability to check the status of an order).

**70%**

of online consumers agree that if a company or brand has a poor website it affects their opinion of the brand.

Find out more at:

[www.aolbrandnewworld.co.uk](http://www.aolbrandnewworld.co.uk)



# Advertising

“ Nearly half of all people questioned by the Henley Centre claim that their trust in the information they find online has caused them to change their mind about the product they wanted to buy ”

Andy Jonesco  
SVP, Audience, AOL UK

## Consumers pay more attention to advertising appearing on sites they trust

**51%** of online consumers agree that they pay more attention to adverts on sites they trust

“ If I am actually reading the page and the advert is there, maybe a banner on the page, then, yes, I am more likely to trust it and more likely to click through. Actually come to think of it I've got an internet Bank account.. And I saw that and I clicked through and now I bank with them. I think it would [make a difference where I saw the advert] because there are some sites... They seem like here today, gone tomorrow. ”

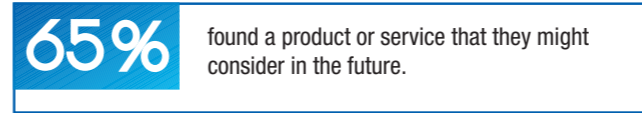
Male, 20-30, London

The amount of online information is so great and much of its provenance so unclear that trust has become the single most important discriminator in deciding how consumers react to content.

Whether it is advertising or editorial, a trusted brand is the key to making online content credible.

## Consumers who click on online adverts are influenced by what they find

**72%** of online users who clicked on an online advert went to the advertiser's website



Clicking on an online advert can substantially influence consumers' attitudes and behaviours.

The majority of consumers who clicked on an online advert in the last 12 months proceeded to the advertiser's website.

Most consumers who clicked on an online advert say they found products or services online that they may consider in the future.

Many consumers have bought something offline as a result of clicking on an online advert.

Find out more at:

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# Conclusions

“ The implications of this research are quite clear: once people get online their behaviour changes dramatically. This will be something of a wake up call to marketing managers who should address, as a matter of priority, their online marketing strategy ”

**Andy Jonesco**  
SVP, Audience, AOL UK

# Branding investment is critical online

Brands need to continually reinforce brand trust by:

- Understanding how consumers use information online, so that you can take advantage of information flows.
- Addressing consumers' real needs and appetite for online information, including commercial information.
- Harnessing the trustworthiness of online information sources, some of which surpass the trustworthiness of more traditional media channels.
- Understanding and satisfying consumers' transactional needs and "purchase triggers".

# Brand New World 2.0 Overview

Brand New World 2.0 provides a strategic framework for creating customer loyalty. It understands the evolving context of consumer behaviour online and in doing so is able to provide a holistic approach to online marketing strategy. This includes:

- Website drivers of brand trust, loyalty, and advocacy
- A planning template for allocating marketing resource
- Communication strategies that encompass all online interaction tools and their relative importance

Brand New World 2.0 provides the mechanism for marketers to secure online competitive advantage in a world where the only constant is change.

For more detail, contact AOL UK:

[www.aolbrandnewworld.co.uk](http://www.aolbrandnewworld.co.uk)  
or Andrew Bradford on 020 7348 8474

[www.aolbrandnewworld.co.uk](http://www.aolbrandnewworld.co.uk)