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Influencing the Influencers: How Online Advertising and Media Impact Word of Mouth

A DoubleClick Touchpoints IV Focus Report

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Executive Summary

"Word of mouth" is a hot topic in marketing these days. Indeed, in DoubleClick Touchpoints, our annual survey of online consumers, we have routinely seen respondents select "word of mouth" as a key factor that influences their purchase decisions across most product categories.

But, aside from sending your product to your hundred favorite bloggers, how can marketers efficiently spend marketing dollars to influence word of mouth? That was a key question we set out to answer in our 2006 DoubleClick Touchpoints IV survey.

This year, DoubleClick identified more than 1,000 influencers among the 6,000-plus Touchpoints respondents: active networkers, subject matter experts, bloggers, and online community participants. That key audience segment reports that websites in general, and web advertising in particular, are key sources of influence for them.

In this focus report, we examine the following key findings:

- Influencers cite web advertising as the second most important source for learning more about products after websites; they are much more likely to cite web ads for this than non-influencers
- How influencers shop varies considerably from one product category to another
- Influencers pay attention to ads, positively and negatively
- Influencers use more of all media, particularly the Internet, and they embrace emerging media

Objectives

There is a body of research establishing that certain people have more influence than others on how their friends, family and associates make purchase decisions. Books have been written about them, research firms are studying them, and boutique marketing firms specialize in finding them. The very ideas of word of mouth marketing and buzz marketing have themselves become all the buzz in the world of marketing.

Yet, we still do not fully understand how word of mouth works or how marketers can best leverage it. Direct marketers often question any practice that does not lead directly from an ad exposure to a purchase, but that is not how most people normally buy things. The way we decide what to purchase is much more nuanced, and word of mouth plays a strong role, as four years of data from the DoubleClick Touchpoints survey demonstrates.

This year, we expanded the Touchpoints IV survey to identify a segment of influencers to examine how this key audience segment reaches purchase decisions. Influencers are active networkers, detail lovers, opinion sharers – the kinds of people described in the books *The Influentials* by Jon Berry and Ed Keller and *The Tipping Point* by Malcolm Gladwell. (Refer to **Recommended Resources** below for additional learning tools.)

DoubleClick identified influencers participating in the Touchpoints IV survey via the following statements:

- I am an expert in certain areas (such as my work, hobbies, or interests).
- People often ask my advice about purchases on subjects on which I am knowledgeable.
- When I find a new product I like, I often recommend it to friends.
- I have a large social circle and am often referring people to one another based on their interests.
- I am active online with things such as blogs, social network sites, email discussion groups, online community boards and so on.

If a respondent chose "strongly agree" for at least three of the above five statements, we considered them an influencer. DoubleClick categorized a total of 1,041 respondents, 17% of the sample, as influencers. And we found that they act quite differently than non-influencers (i.e., the remaining 5,080 respondents who did not meet our definition of influencers). For more details about the structure of this study, please refer to the **Methodology** section at the end of this report.

Key Findings

Influencers Cite Web Ads as a Key Shopping Aid

In our research report published in November 2006, "DoubleClick Touchpoints IV: How Digital Media Fit into Consumer Purchase Decisions," we observed that the likelihood of people citing web advertising as an influence in their shopping grew significantly in the "further learning" phase of shopping, as opposed to the "first awareness" phase. The shift in importance during the purchase cycle was much more pronounced for web advertising than most other forms of advertising.

Influencers cite websites and web ads as greatest source of product research

Question: How did you further learn about the product you purchased?

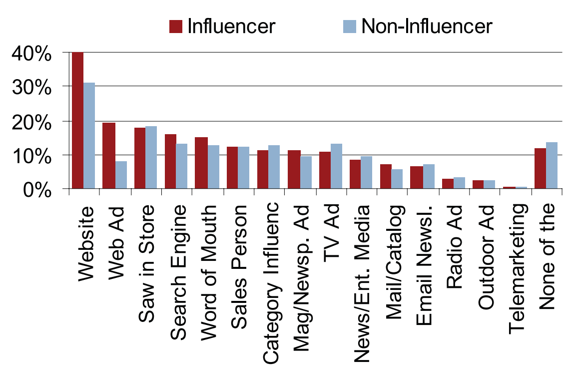

Figure 1 Source: DoubleClick Touchpoints IV, 2006; all product categories; total sample, N=6,121; Influencers, N=1041; Non-influencers, N=5,080

Looking at influencers vs. non-influencers, this phenomenon is even more striking. Considering all product categories, 19% of influencers cited web advertising as playing a role in the research phase of their purchase decision, versus only 8% of the non-influencers. In fact, web ads were the second most popular source of information about products after websites in the "further learning" phase of shopping (see **Figure 1**).

In the introduction to this paper, we posed the question, "How can marketers efficiently spend dollars to influence word of mouth?" The answer is clear: web advertising. Marketers should bear in mind that when they invest in web ads, they are not only advertising to their prospective customers, they are also advertising *through* their prospects to the friends, colleagues, and family members of their most influential buyers.

For auto buyers, influencers rely much more on websites than dealerships, unlike non-influencers

Question: How did you further learn about the product you purchased?

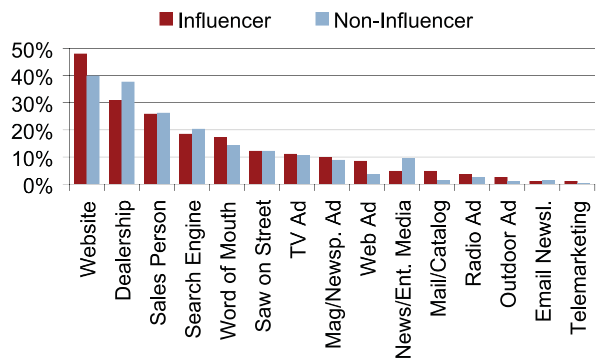

Figure 2 Source: DoubleClick Touchpoints IV, 2006; Auto Buyers, N=458; Auto Influencers, N=81; Auto Non-influencers, N=377

For air travelers, influencers are more swayed by web ads than TV ads, unlike non-influencers

Question: How did you further learn about the product you purchased?

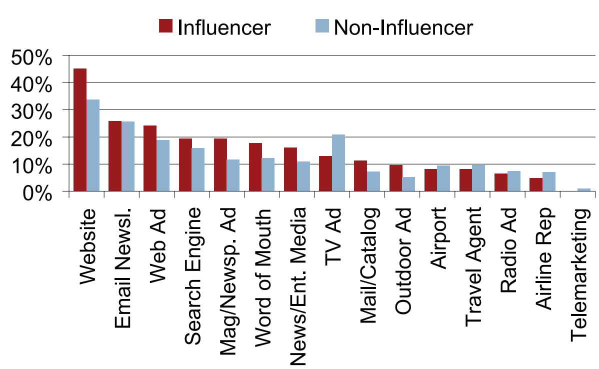

Figure 3 Source: DoubleClick Touchpoints IV, 2006; Air Ticket Buyers, N=464; Airline Influencers, N=62; Airline Non-influencers, N=402

Behavior of Influencers Varies by Product Category

The DoubleClick Touchpoints survey began by asking people which of a list of types of products and services they purchased in the past 12 months. Much of the rest of the survey focused on how they arrived at the purchase decision for one of those particular vertical industries. (For a complete list of industries, refer to the **Methodology** section at the end of this report.) It is clear from this analysis that the ways influencers and non-influencers shop vary considerably from one product category to another, as **Figures 2 and 3** illustrate.

For car buyers, websites (mostly automobile manufacturers' sites) were the most important source of further learning during the shopping process, ahead of even car dealerships. For the non-influencer segment, there was not a great difference between the importance of websites and dealerships during the "further learning" phase of shopping: 40% cited websites as a factor, and 37% cited dealerships. Influencers, however, were much more likely to cite websites (48%) than dealerships (31%) (see **Figure 2**).

Influencers were also much more likely to cite web ads (9%) as playing a role in their car buying research than were non-influencers (4%).

Similarly, among air travelers, influencers were much more likely to rely on websites during the shopping process than non-influencers. And, their reliance on web advertising was even more pronounced than that of influencers among car buyers.

Considerably more air traveler influencers cited the importance of web ads (24%) than TV ads (13%). For non-influencers, it was the opposite, with more citing the importance to TV ads (21%) than web ads (19%).

Influencers were also much better customers for airlines than were non-influencers: 48% of influencers said they travel on business or pleasure at least once every two months compared to just 21% of non-influencers.

Influencers recognize more value in ads than non-influencers

Question: For each of the following statements, please indicate how strongly you agree or disagree, where 1 means "strongly disagree"and 5 means "strongly agree."

[Shown: "agree strongly" plus "agree moderately"]

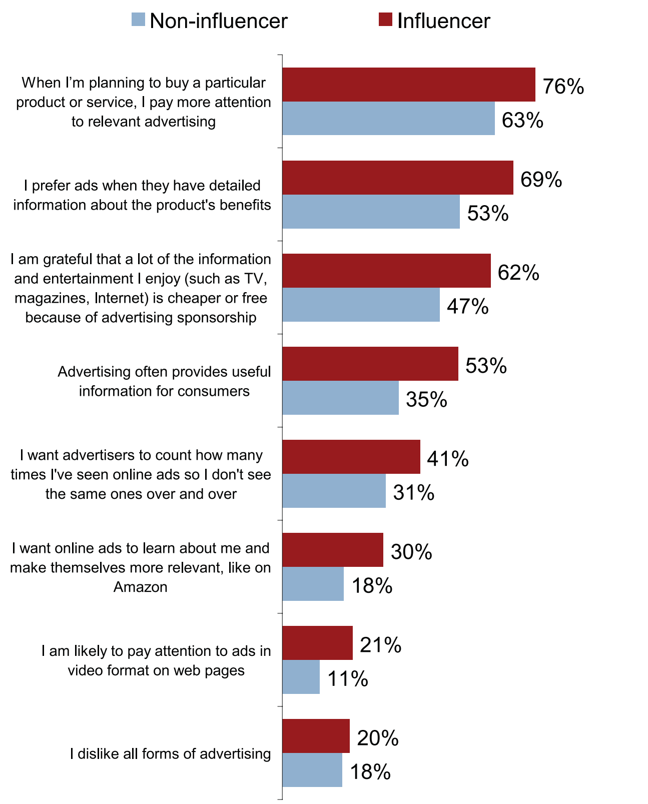

Figure 4 Source: DoubleClick Touchpoints IV, 2006; all product categories; total sample, N=6,121; Influencers, N=1041; Non-influencers, N=5,080

Influencers Are Ad Savvy

Influencers demonstrate a sophistication about the media and advertising they consume. They value ads more than non-influencers. Overall, influencers had more positive associations with advertising in general, including web advertising, compared to non-influencers (see **Figure 4**).

By significant margins, influencers were more apt than non-influencers to report that they pay attention to relevant ads when they are in shopping mode, that they value ads that highlight product benefits, and that ads often provide useful information. They also were more likely to acknowledge the value ads play in subsidizing the cost of media.

Influencers were more likely to want advertisers to target Internet ads to them based on their browsing behavior and cap ad frequency so they do not burn out on the same message. They were also almost

The actions of influencers in response to ads show they are discerning media consumers

Question: Please indicate how often you take the following actions with regard to advertising

[Shown: "All the time" and "Frequently"]

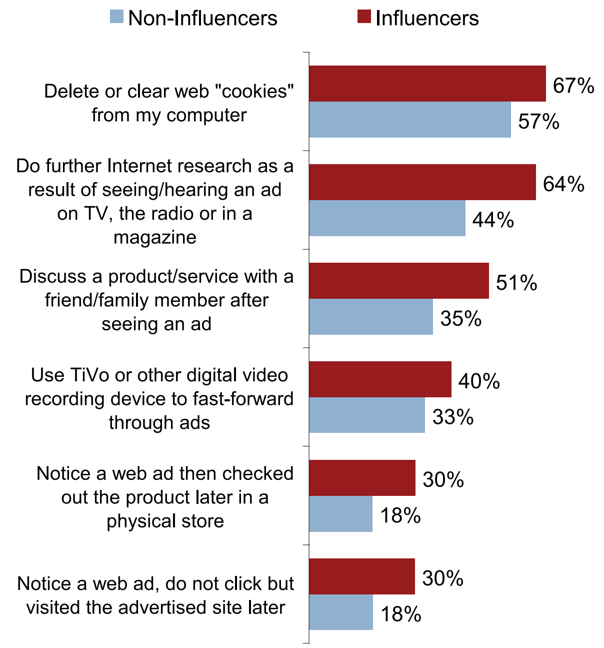

Figure 5 Source: DoubleClick Touchpoints IV, 2006; all product categories; total sample, N=6,121; Influencers, N=1041; Non-influencers, N=5,080

Influencers spend lots of time consuming media, especially the Internet

Question: How much time would you estimate you spend with each of the following types of media?

[Shown, highest category: 5+ hours per day]

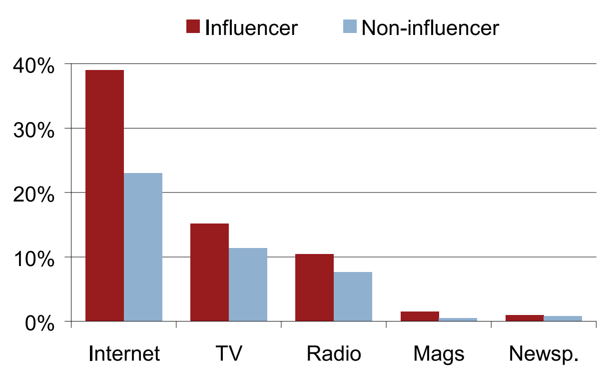

Figure 6 Source: DoubleClick Touchpoints IV, 2006; all product categories; total sample, N=6,121; Influencers, N=1041; Non-influencers, N=5,080

twice as likely to value video in web advertising.

Only a relatively small portion of both segments agreed with the statement "I dislike all forms of advertising," influencers more so by a tiny margin.

Meanwhile, from the point of view of advertisers, the behaviors that influencers exhibit in response to ads are a mix of positive and negative.

On the one hand, influencers are more likely to delete or clear their cookies and fast forward through TV ads when using a digital video recorder than non-influencers (see **Figure 5**).

At the same time, after seeing ads, influencers are also much more likely to do follow-up research online and discuss those ads with friends and family than non-influencers. They are also much more likely to say they visit a website or a store after seeing an Internet ad than non-influencers.

Simply put, influencers are finely attuned to advertising, positively and negatively. They notice it and they value it, and they want to have control over it. Considering the impact that influencers have on the buying habits of the rest of the public, advertisers have more to gain, and more to lose, when trying to sway this small but important group of people.

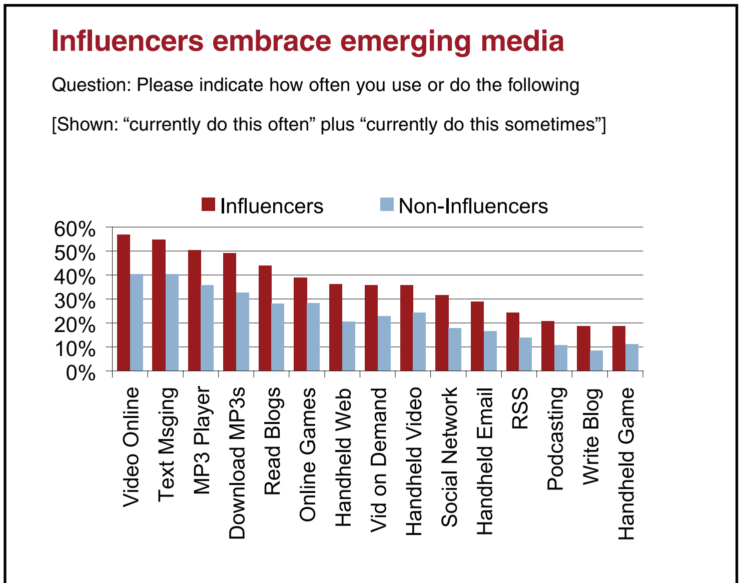

Figure 7

Source: DoubleClick Touchpoints IV, 2006; all product categories; total sample, N=6,121; Influencers, N=1041; Non-influencers, N=5,080

Influencers Love Digital: Basic Internet and Emerging Media

It comes as little surprise that influencers – people who are expert consumers and actively share their ideas – are active media consumers. Influencers use more of every kind of media, especially the Internet, than do non-influencers. Twenty-three percent of non-influencers reported spending five or more hours per day online, compared to 39% of influencers (see **Figure 6**).

In addition to traditional media and the Internet, influencers are also ahead of the curve when it comes to their use of emerging media types (see **Figure 7**). Presented in the survey with 15 types of emerging media, influencers were more likely to use almost all of them by 10 percentage points or more across the board.

Fifty-seven percent of influencers say they watch video online today, compared to 40% of non-influencers; 44% read blogs, compared to 28% of non-influencers; and 36% access the web on handheld devices, compared to 21% of non-influencers.

Conclusions

- Influencers see web ads as a key part of their shopping process, second only to websites themselves as a source of further learning. Ads that are rich in product detail and targeted to the consideration phase of purchasing (as opposed to awareness) can have an echo effect, appealing most to the relatively small segment of prospects who have a greater influence on the rest of the public. In that way, marketers can not only advertise to their prospects, but advertise *through* influencers to a wider audience.
- Consumers shop in different ways for different types of products, and the behavior of influencers also differs in various product categories. Marketers that want to succeed in finding the influencers for their companies and niches will invest in original customer research to tailor marketing programs accordingly.

- Influencers see more value in advertising as an information channel for their shopping process than non-influencers do, but they also hold advertising to a higher standard. They are more familiar with advanced technologies to screen out ads when they do not perceive any value. Rather than target ads to the lowest common denominator, advertisers should keep in mind that not all consumers are created equal. The potential customers they could be turning off the most with careless marketing tactics are those who have the most impact on word of mouth and customer loyalty.
- Influencers use more of all media, especially digital media. When building a marketing campaign that aims to reach influencers and tap the potential of word of mouth, digital media needs to be a critical part of the plan. Emerging media platforms such as online video, mobile web content, and blogs are also highly concentrated with influencers.

Methodology

The DoubleClick Touchpoints IV consumer survey was fielded in July 2006 and was managed by ROI Research. Survey respondents were solicited from eReward's opt-in panel of research participants, which is normalized to reflect the Internet-using population in the United States. A total of 6,121 adult (18 years old and older) Internet users completed the survey.

The survey asked respondents about their purchases in the previous 12 months within the following 15 categories: automotive, banking, credit cards, investments, mortgages and loans, air travel, hotels, rental cars, telecommunications service plans, consumer packaged goods (personal care and household care products), apparel, consumer electronics, housewares and furniture, movie tickets, and prescription drugs.

The survey then routed respondents into a set of questions specific to one of the product categories in which they indicated they had made a purchase in the last year. The framework of the survey was more or less the same for each vertical, allowing DoubleClick to see how respondents answered questions differently for individual vertical industries, as well as letting us roll up the responses to analyze common trends across all industries.

Specifically, we asked participants about the three unique phases of the purchase process: initial awareness ("How did you first learn about…"), information gathering ("How did you further learn about…") and purchase decision ("Which of the following most influenced…").

At each step of the decision making process, respondents were asked to choose from approximately 15[1] marketing and information factors – touchpoints – to identify which had the biggest impact on their awareness, consideration, and final decision.

Finally, the survey prompted participants to consider all of the touchpoints in relation to each other in order to gauge which one had the biggest impact on their purchase decision.

[1] The number of actual touchpoint choices varied slightly by vertical industry but was in most cases 15.

More than 400 respondents completed the survey for all but two of the 15 vertical industry sectors. Results for the total sample of 6,121 adults should be representative for the total U.S. population of Internet users to a margin of error of 1.2% at a confidence level of 95%; the smaller industry segments of 400 respondents should be representative to a margin of error of 4.9%.

DoubleClick identified a subset of the overall sample, 1,041 respondents (17%), as influencers. Those respondents answered a set of questions specifically targeting the behaviors, activities, and attitudes of influencers. Between 53 and 105 influencer respondents completed the survey for each of the 15 vertical industry sectors, depending on the category.

Report Contributors

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Recommended Resources

DoubleClick recommends the following books and resources as tools to use if you'd like to learn more about word of mouth marketing and how to leverage it as part of your online marketing and advertising programs.

Books

Balter, David, and John Butman, *Grapevine*, Portfolio, 2005.
Berry, Jon, and Ed Keller, *The Influentials*, Free Press, 2003.
Gladwell, Malcolm, *The Tipping Point*, Little, Brown & Co., 2000.
Sernovitz, Andy, *Word of Mouth Marketing*, Kaplan Business, 2006.

Organizations

Word of Mouth Marketing Association, http://www.womma.org

Other Recent DoubleClick Research Reports

You can find all of the reports listed below at the following URL:
http://www.doubleclick.com/knowledge

DoubleClick Touchpoints IV: How Digital Media Fit into Consumer Purchase Decisions
DoubleClick Performics 50 Search Trend Report Q2 2006
Best Practices for Optimizing Web Advertising Effectiveness
The Decade in Online Advertising

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DoubleClick provides technology and services that empower marketers, agencies and web publishers to work together successfully and profit from their digital marketing investments. Our focus on innovation, reliability, and insight enables clients to improve productivity and results.

Since 1996, DoubleClick has empowered the original thinkers and leaders in the digital advertising industry to deliver on the promise of the rich possibilities of our medium. Today, the company's DART and Performics divisions power the online advertising marketplace. Tomorrow, we will continue to enable clients to profit from opportunities across all digital advertising channels as consumers worldwide embrace them.

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