Universal McCANN | NEXT THING NOW

When did we start trusting strangers?

How the internet turned us all into influencers

September 2008
29 countries
17,000 internet users

Contents

Methodology

This unique perspective comes from data collected in the third instalment of Universal McCann's global digital research programme "Wave". The research was completed among 17,000 active internet users in 29 countries – making it one of the most wide reaching investigations into the subject of influence and word of mouth. Respondents are provided by the world's leading online panel companies, all recruited to strict ESOMAR standards.

Every market is representative by age and sex to the 16-54 Active Internet Universe. Quotas and universe sizes were established from local data sources such as TGI and Simmons.

To qualify as a member of the Active Internet Universe the respondent needs to be using the Internet everyday or every other day. They are the audience that matter to current and future of marketing communications and represent the consumer that are driving the new influence landscape.

- Australia
- Austria
- Canada
- China
- Czech Republic
- Denmark
- France
- Germany
- Greece
- Hong Kong
- Hungary
- India
- Italy
- Japan
- Mexico
- Netherlands
- Romania
- Pakistan
- Philippines
- Poland
- Russia
- South Korea
- Spain
- Switzerland
- Taiwan
- Turkey
- UK
- USA

No Strangers Anymore

Long before the concept of marketing existed our sources of information were limited. What we now tag “Word of Mouth” was the only source of information outside religion, the monarchy and the state. People’s lives were localised and the information that impacted on their main decisions in life came from friends, family or perhaps the man in the market. Then came the mass media age: newspapers, radio and the television set created exposure to influences beyond the ancient controllers of information.

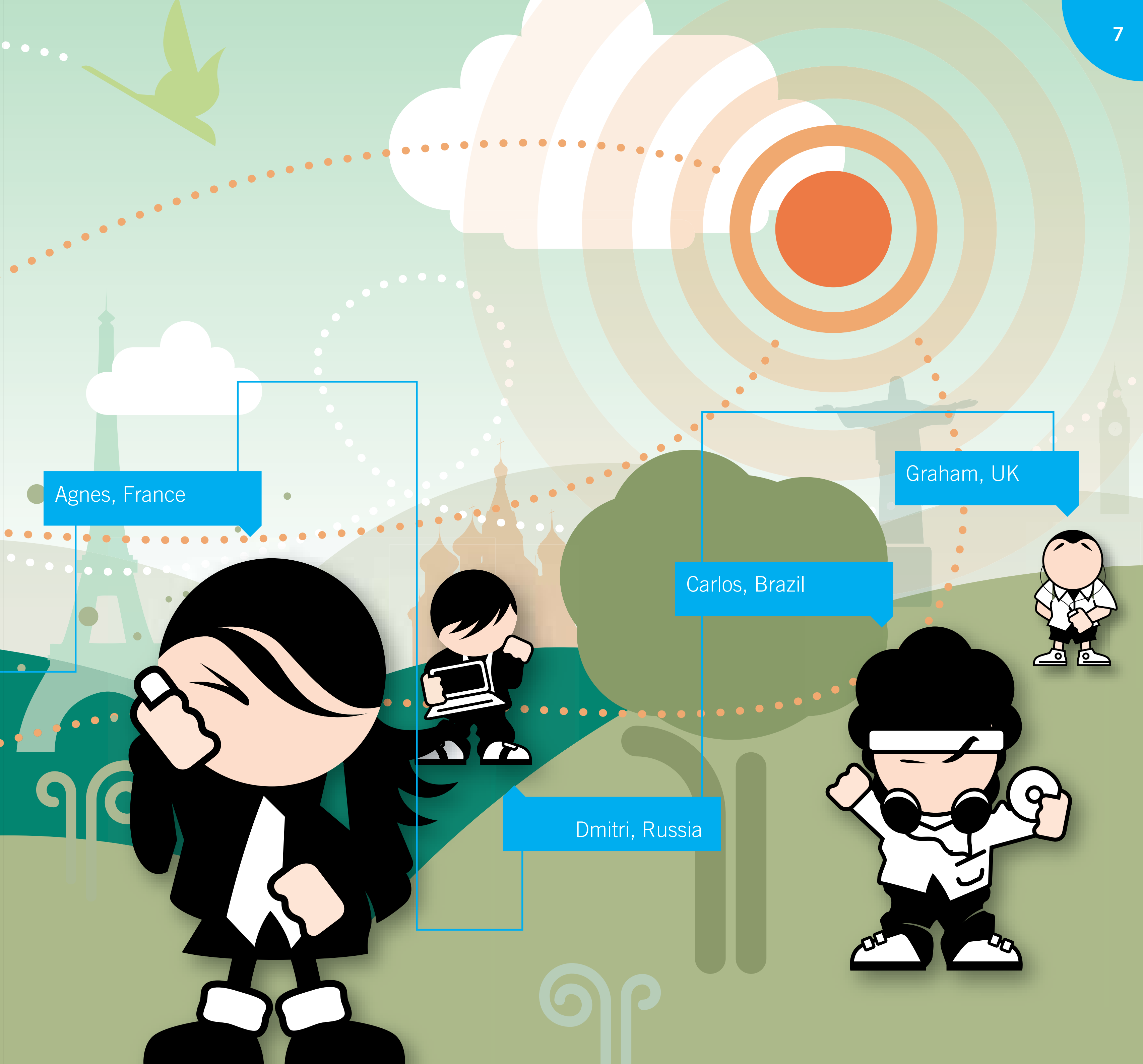
However this influence was still professional and top down – the news reader, the columnist and the expert. Mass media offered little in terms of consumer recommendation; readers’ letters in newspapers and magazines or phone-ins on TV and radio shows were as far as consumer influence went. Peer to peer interactions remained localised and face to face.

Then along came the web and a revolution began. In the early days, bulletin boards, chat rooms and home brew websites allowed those technically in the know to project their thoughts and opinions. More recently social media such as blogs, social networks, photo or video sharing sites and wikis have opened the door to consumer publishing and hundreds of millions have embraced it.

Today the web is driven by its’ users and peoples’ thoughts on everything are found across the web, personal blogs, to reviews on price comparison sites and wish lists on Amazon are just some examples. It is now incredibly easy to share opinions and cultivate influence, often without even trying. The result has been the democratisation of influence to the masses.

This is a fundamental change in the way we source and share opinions and today anyone can wield influence far beyond their immediate social group. In the old days the conversations we had with our immediate peers generally stayed inside that network. Today opinions and experiences are shared worldwide. Never before have we been exposed to so many opinions and recommendations from so many people - most of whom are complete strangers, without the aura of expertise or celebrity recognition.

The result is an influence economy that is forcing everyone in the public realm including the owners of products and brands to become more transparent, open, conversational and honest. They have to rethink the way that influence is distributed and the role of marketing communications in an information landscape dictated by consumers.



No Strangers Anymore cont.

This study demonstrates through a unique global research project in 29 countries that things have changed forever. In the new influencer landscape there are five fundamental changes that every brand and marketer will have to acknowledge.

Anyone can influence anyone: We now trust strangers as much as our closest friends.

Friendship is no longer local or face to face: It's becoming distant and virtualised.

Everybody is an influencer: The power to influence no longer belongs to the experts or "those in the know". The idea that we live in a simplistic world where there is a small group of "influencers" who dictate the agenda to everyone else is no longer true thanks to social media and digital technology. We all share influence today whether we actively mean to or not.

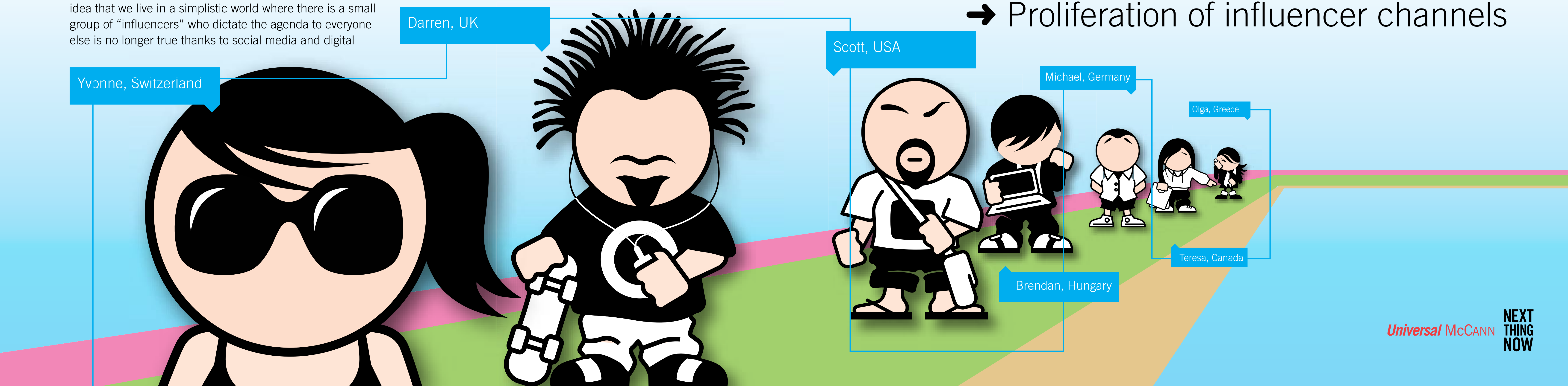
New super influencers rise above the mass: Not all consumer influencers are equal. A new breed of "super influencers" has been created by the tools of the social media revolution.

The new influence ecosystem has fundamentally changed how we buy products and services: There is a new level of transparency and truth that all public institutions, companies and brands have to adhere to.

Welcome to the new influence landscape

3 key trends

- ➜ The rise of social media
- ➜ Digital friends
- ➜ Proliferation of influencer channels



The rise of social media

From its inception the internet has allowed consumers to create content in a manner that was never possible in the age of mass media where TV, radio and press belonged to the professionals. The web reduced the barriers to production and opened the channels of distribution to anyone with a desire to create content or share their thoughts and opinions.

In the early days it required technical knowledge, experience and a substantial investment in computing hence the impact was limited to the geek community. However, in the last few years these barriers have disappeared and consumer content and opinion has exploded due to the emergence of mass market social media platforms like YouTube, Blogger and MySpace.

These developments combined with the ever falling costs of computing and broadband have enabled a global revolution in consumers publishing their content and thinking.

This explosion of social media has created hundreds of millions of content creators as demonstrated by data from our Global Social Media Tracker in Figure 1. This shows massive growth in a very short period of time and users have gradually moved from passive consumers to active creators. Writing blogs has risen from 28% to 44%, creating a social network page has grown from 27.3% to 57.5% and uploading a video clip from 10% to 42%. The result is billions of thoughts and opinions online available for anyone to read which is driving an influence revolution.

Social Media adoption over time (Waves 1 – 3)

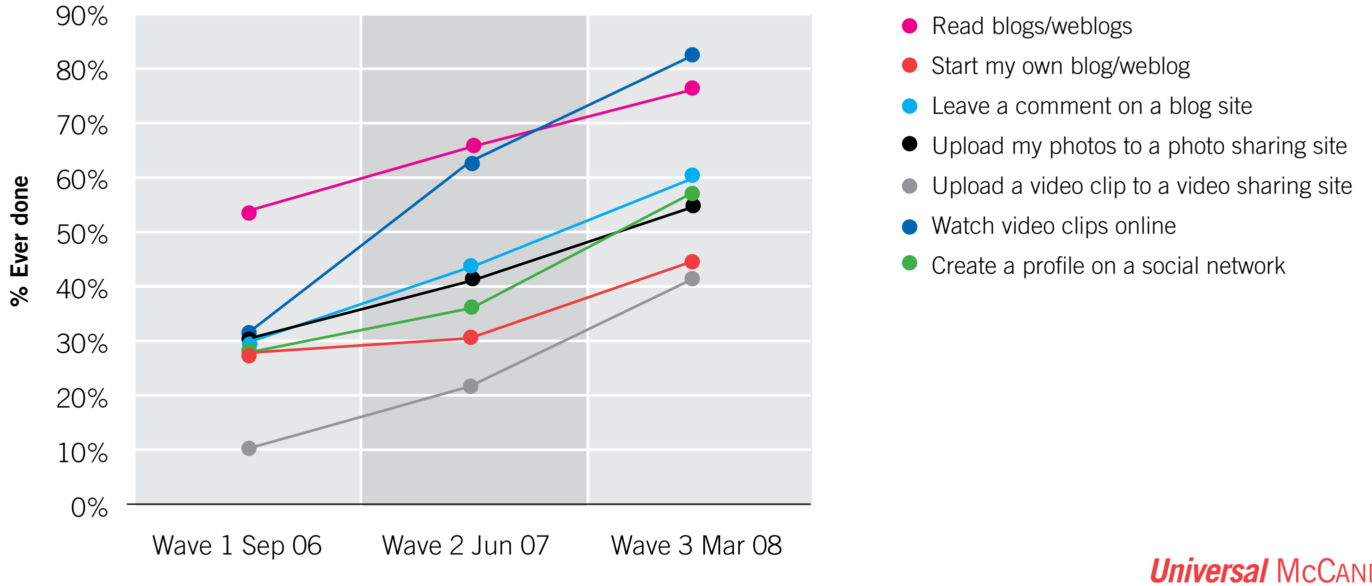


Figure 1: "Social Media adoption over time (Waves 1 – 3)" Global Average
Source: Universal McCann Social Media Tracker – Power to the People

The rise of social media cont.

The scale of this revolution is demonstrated by Figures 2 and 3, which show the extent of content that social network users and bloggers are uploading. It is clear that social media has become a platform for directly sharing opinion and thoughts; 34% of social network users are sharing opinions on music, 31% are writing a blog inside their profile and almost 10% have promoted a brand.

They are also sharing content; 55% are sharing photos, 22% are uploading videos and 23% are uploading applications, all of which project opinions and endorse brands if included.

What I do with my social network profile

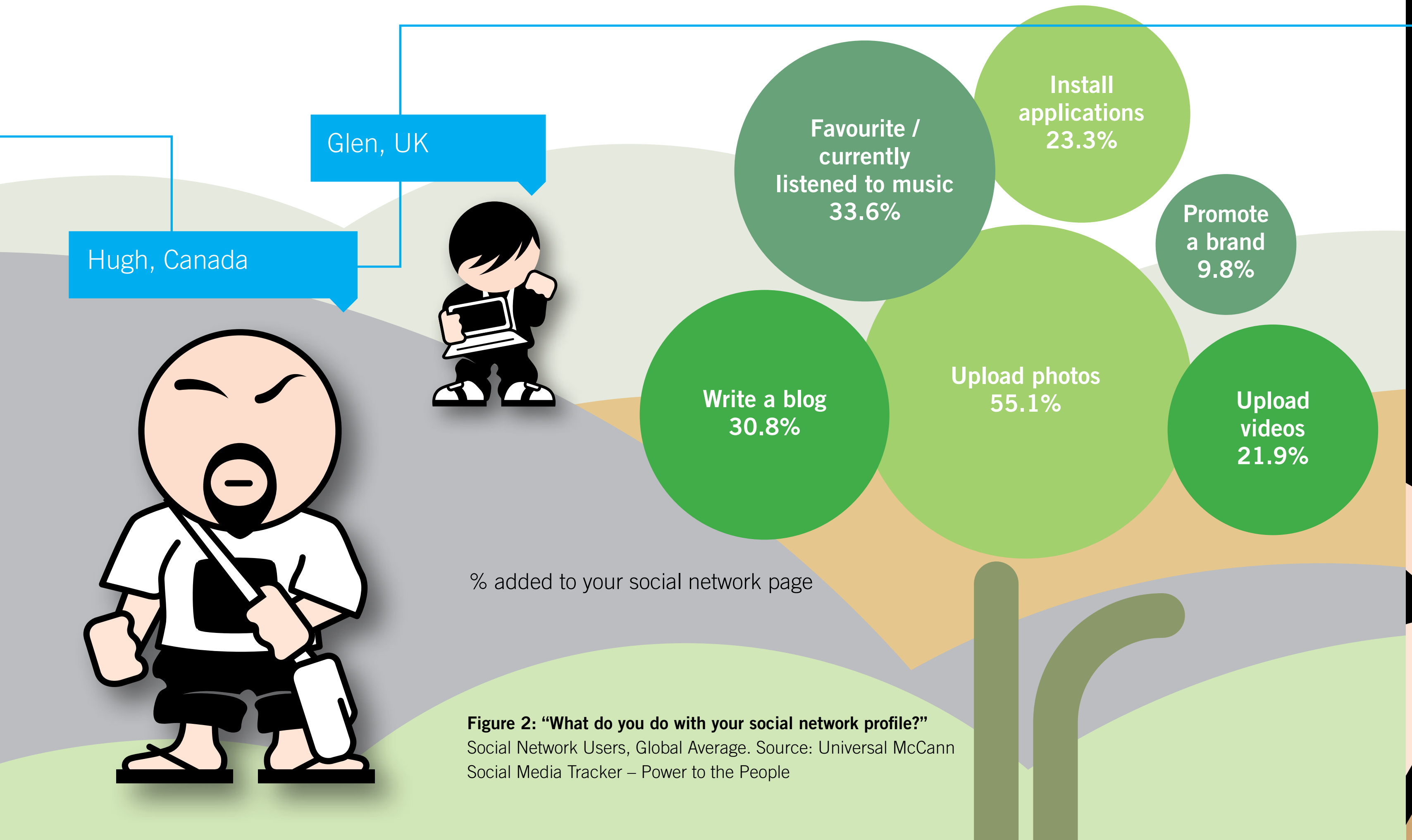
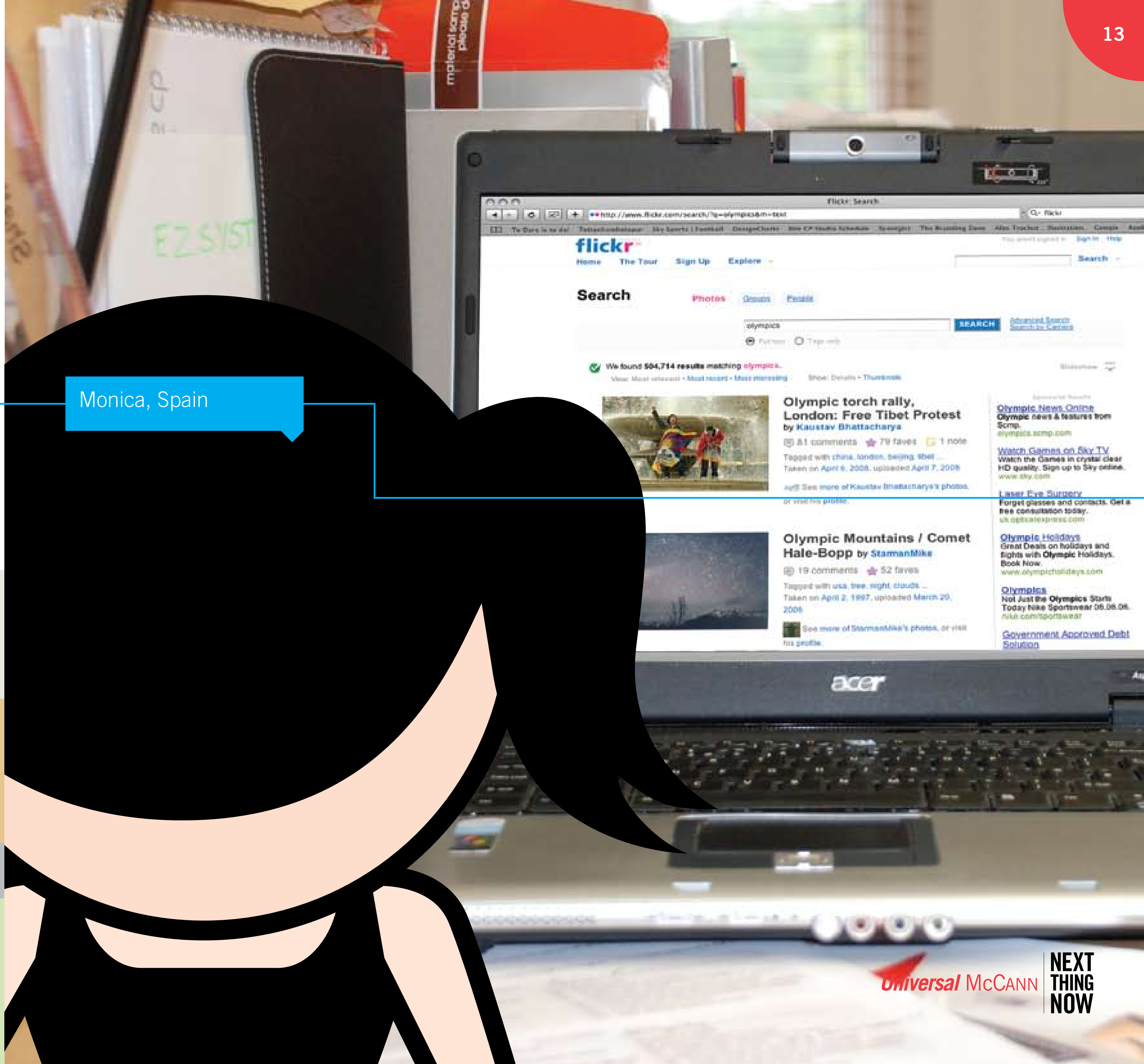


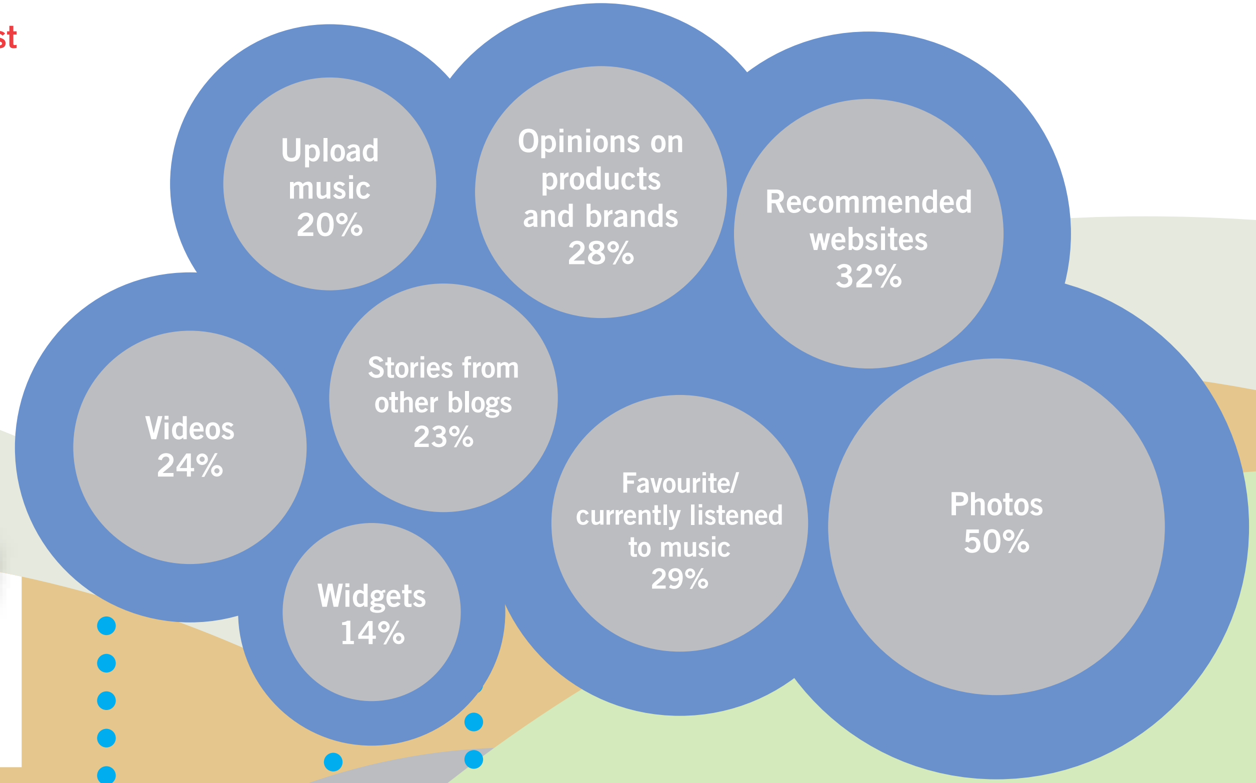
Figure 2: "What do you do with your social network profile?"
Social Network Users, Global Average. Source: Universal McCann Social Media Tracker – Power to the People



The rise of social media cont.

Bloggers are also very active in terms of sharing opinions and recommendations; 32% have shared recommended websites, 29% their favourite music and 28% opinions on products and brands. This is a massive volume of opinion that is fuelling the new influence landscape.

What do I post on my blog?



% posted to your blog

Figure 3: "When writing a blog, which of the following do you post?" Blog writers only, Global Average. Source: Universal McCann Social Media Tracker – Power to the People

Spyros – Greece

Federico – Panama

Digital friends

Since its inception as a closed academic and military network the web has had a major impact on the way its users communicate and the nature of the social contacts they maintain. In 2008, 1.5bn people are online and the impact of the internet has spread into the way we interact and communicate as a society.

Figure 4 shows the penetration of different communications platforms; email is universally used and instant messenger is adopted by more than 80% of users world-wide. This has moved billions of personal interactions into the virtual and written word, where it is much easier to spread influence and communication is much more frequent and casual. What is interesting is the extent to which social media is beginning to rival its more established equivalents, with nearly 58% having joined a social network. But more importantly, as Figure 5 shows, these users are communicating in new ways, with 66% using them to stay in contact with existing friends, 42% using them to meet new people and 18% for dating.

It is extending our definition of friendship and is a fundamental shift towards a virtual communications platform.

How I communicate online

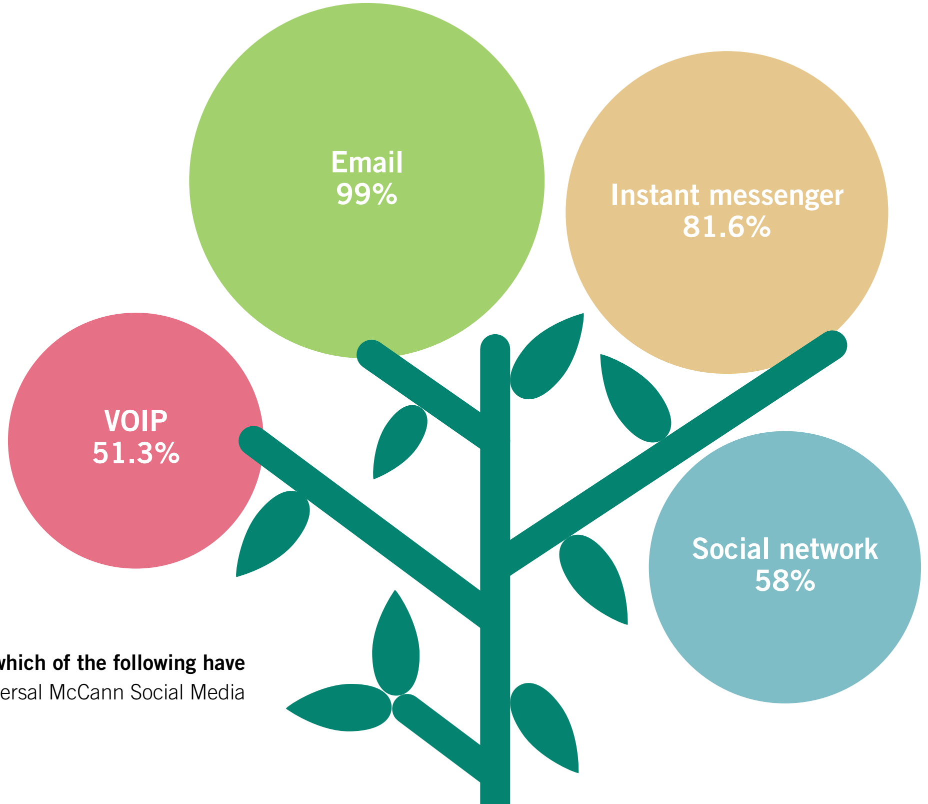


Figure 4: "Thinking about the Internet, which of the following have you done?", Global Average. Source: Universal McCann Social Media Tracker – Power to the People

How I use social networks

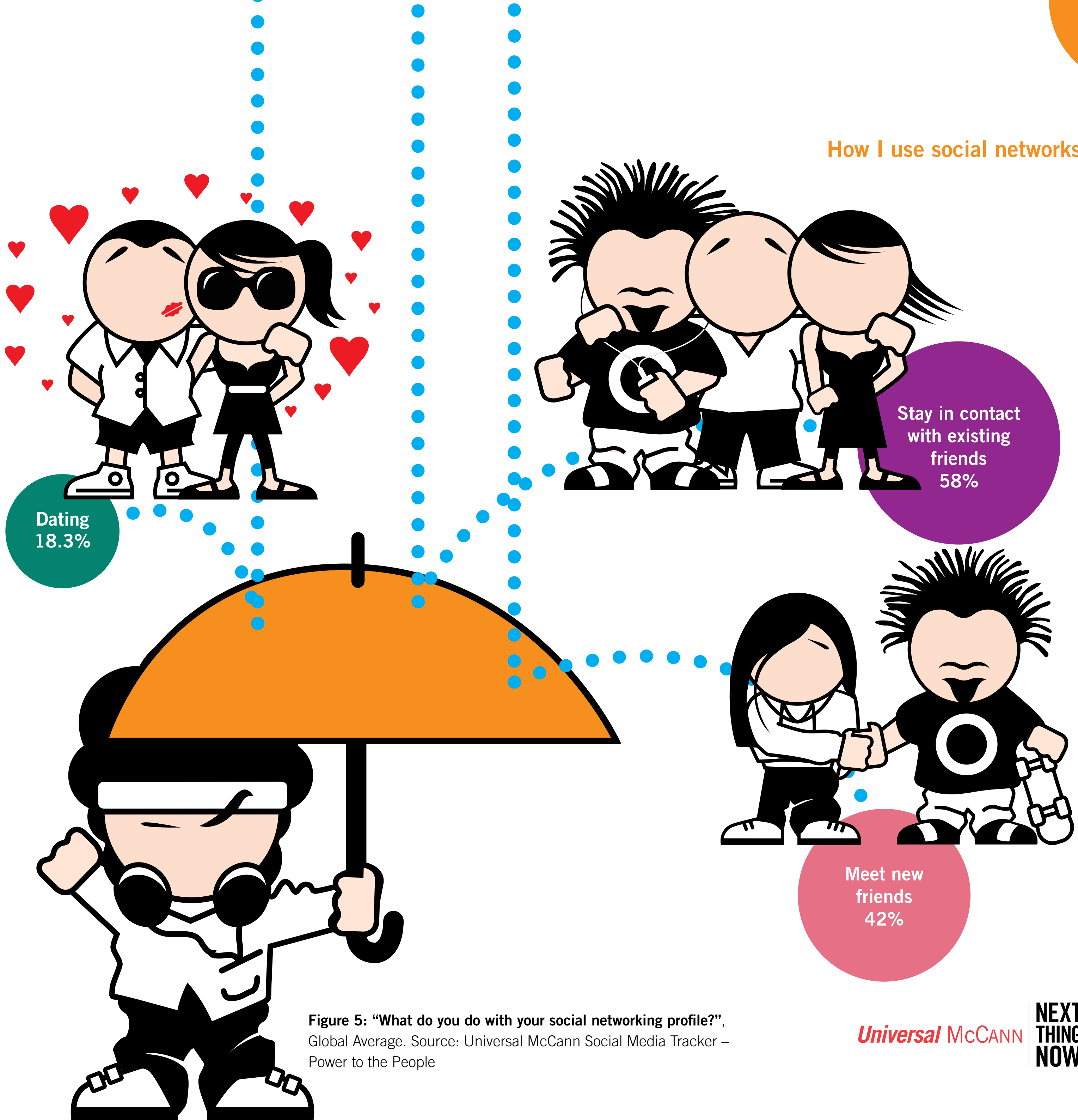


Figure 5: "What do you do with your social networking profile?", Global Average. Source: Universal McCann Social Media Tracker – Power to the People

Digital friends cont.

The rise of social platforms has created important new channels for peer to peer interaction. Figure 6 and Figure 7 show the global response to the statements, “blogging is important to socialise with friends” and “I use social networks to meet new people”, which indicate the social impact of both these platforms. Both are now perceived as important platforms for socialising with friends, pushing more of our interactions into the virtual world and expanding our friend networks to include new people and old friends we would have previously lost contact with.

The global impact is not geographically uniform and there are large distinctions by country, with fast-growing emerging internet markets leading the way, such as the Philippines, Mexico and India. In these countries social platforms have been enthusiastically embraced among web users, thanks to a multitude of factors including low cost of entry, less competition from traditional media, a poor legacy of fixed line communications and a younger and relatively more affluent profile. This has driven enthusiasm for these platforms as social channels.

There are also large distinctions in developed internet markets, 58% of South Korea web users and 66% in Italy see blogging as a platform for socialising compared to 26% in the UK and 24% in the US. These are differences that reflect broader patterns of adoption of social media and cultural differences in role of the web in life.

The key factor is that the social web is increasingly adopted as a core social platform by hundreds of millions of users worldwide. This dramatically affects the exposure to channels of influence and the nature of the social groups we maintain.

Blogging is important to socialise with friends

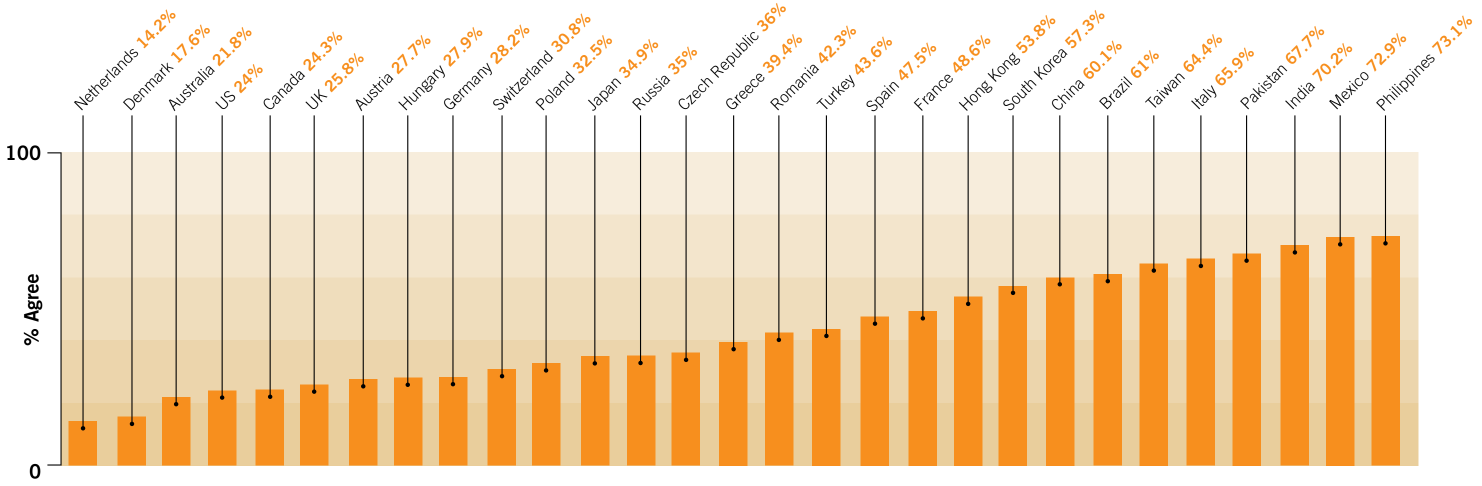


Figure 6: Agree with the statement “Blogging is important to socialise with friends”

Use social networks to meet new people

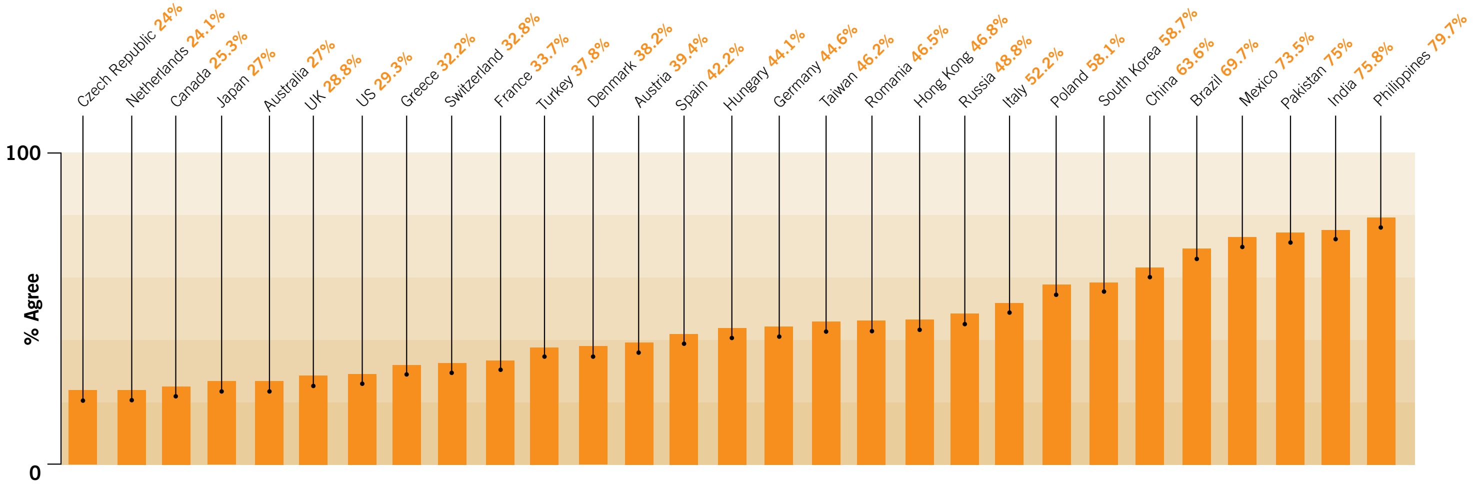


Figure 7: Agree with the statement “I use social networks to meet new people”

Digital friends cont.

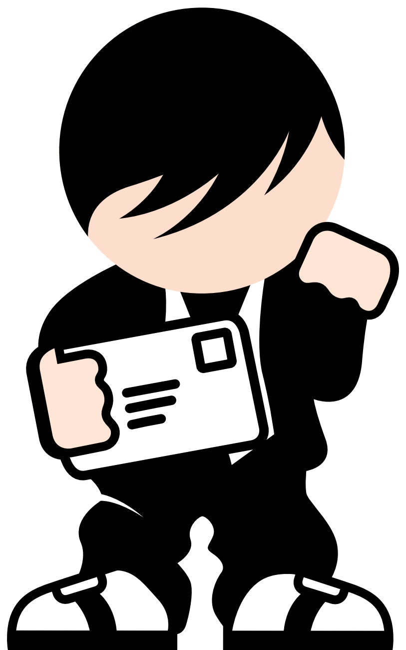
The evolution of the web as a social platform and primary communication channel has had a dramatic impact on the scale and nature of our friendship networks. Figure 8 shows the global average number of friends and personal acquaintances we maintain via different forms of communication including face to face, digital and letters.

The amazing truth is that the web has massively expanded the size of our social platforms and virtualised a large proportion of our daily contact. Today, although we still maintain an average of 35 friendships face to face, it is rapidly being equalled by email with an average of 32, social networks with 30 and Instant Messenger with 29.

Interestingly these all rank above SMS or phone calls, which shows that PC based internet is for expanding networks, while mobile is for maintaining current ones.

The nature of friendship is changing from voice to text and written word. This is a significant change in the ability to influence and share opinions as it's much easier to do in text – communication is more frequent and can include additional information like links, videos and photos.

Graeme, USA



Average number of contacts via different forms of online communications

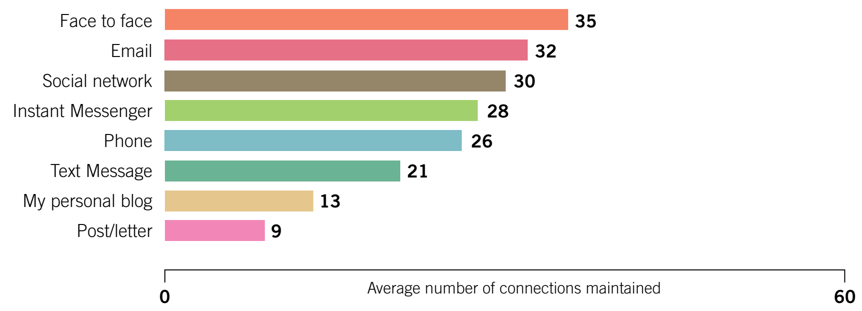


Figure 8: "Approximately how many people do you stay in contact with in your personal life through the following means?", Global Average

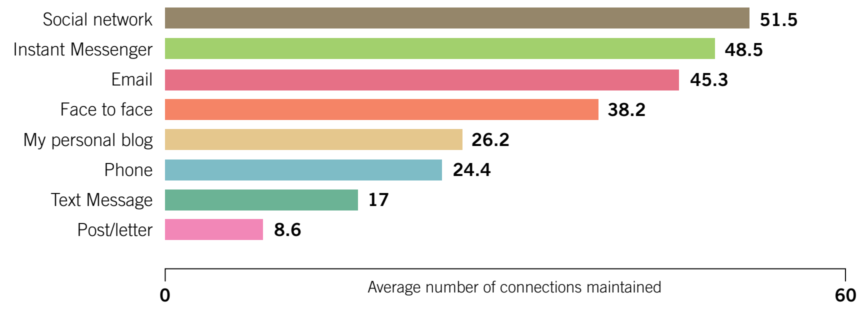
There are interesting regional differences in the nature of friend networks as demonstrated by some of the major internet markets shown in figure 9:

Brazil – very large friend networks, expanded further online. Brazilian web users are known as vicarious social network users thanks to an obsession with Orkut. On average they maintain 51 friendships via social networks.

China – Instant Messenger leads the way as a nation of single children jump on Instant Messenger tools like QQ to socialise. On average they have 51 friends on Instant Messenger versus 28 friends face to face – a staggering shift to the virtual.

Average number of contacts via different forms of online communications

BRAZIL



CHINA

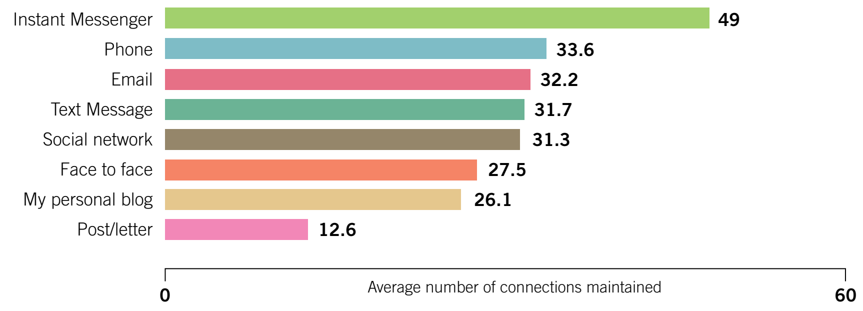


Figure 9: "Approximately how many people do you stay in contact with in your personal life through the following means?", key internet markets

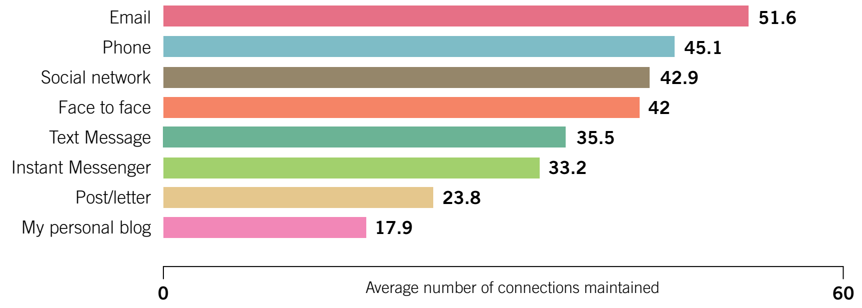
Digital friends cont.

India – Email and mobile lead the way as Indians leapfrog fixed line networks, embracing functional communications platforms over social ones.

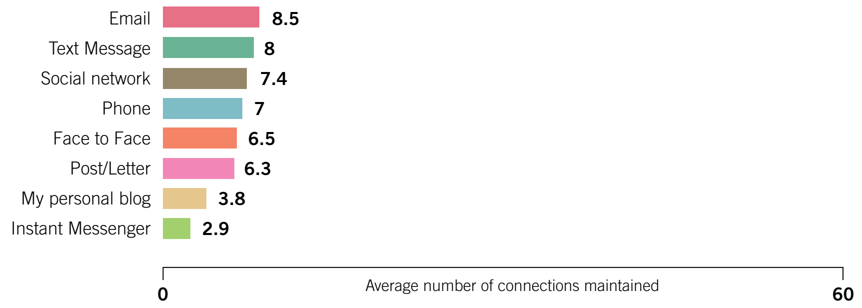
Japan – Significantly smaller friend networks reflect the structure of society, although it one of the most virtualised with email and social networks leading face to face, but Instant Messenger lags.

Average number of contacts via different forms of online communications

INDIA



JAPAN

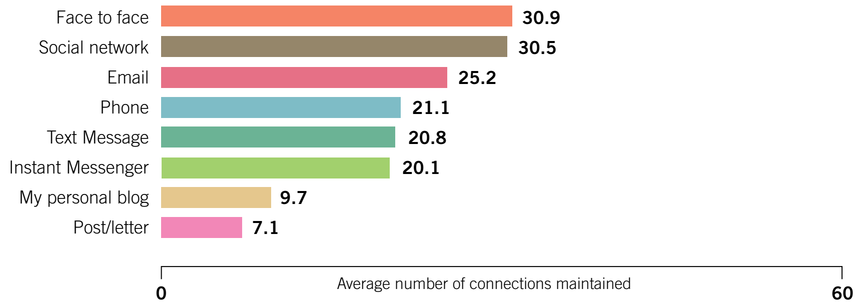


UK – Social networks now equal the number of face-to-face relationships reflecting the massive growth of Facebook. SMS usage is level with phone calls demonstrating the popularity of messaging.

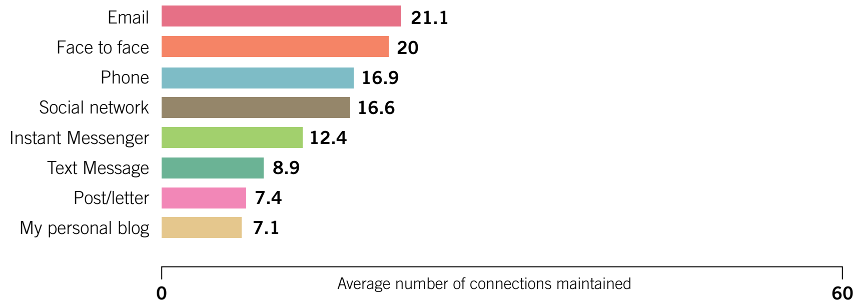
US – Email just leads face-to-face relationships, but SMS yet to catch on.

Average number of contacts via different forms of online communications

UK



USA



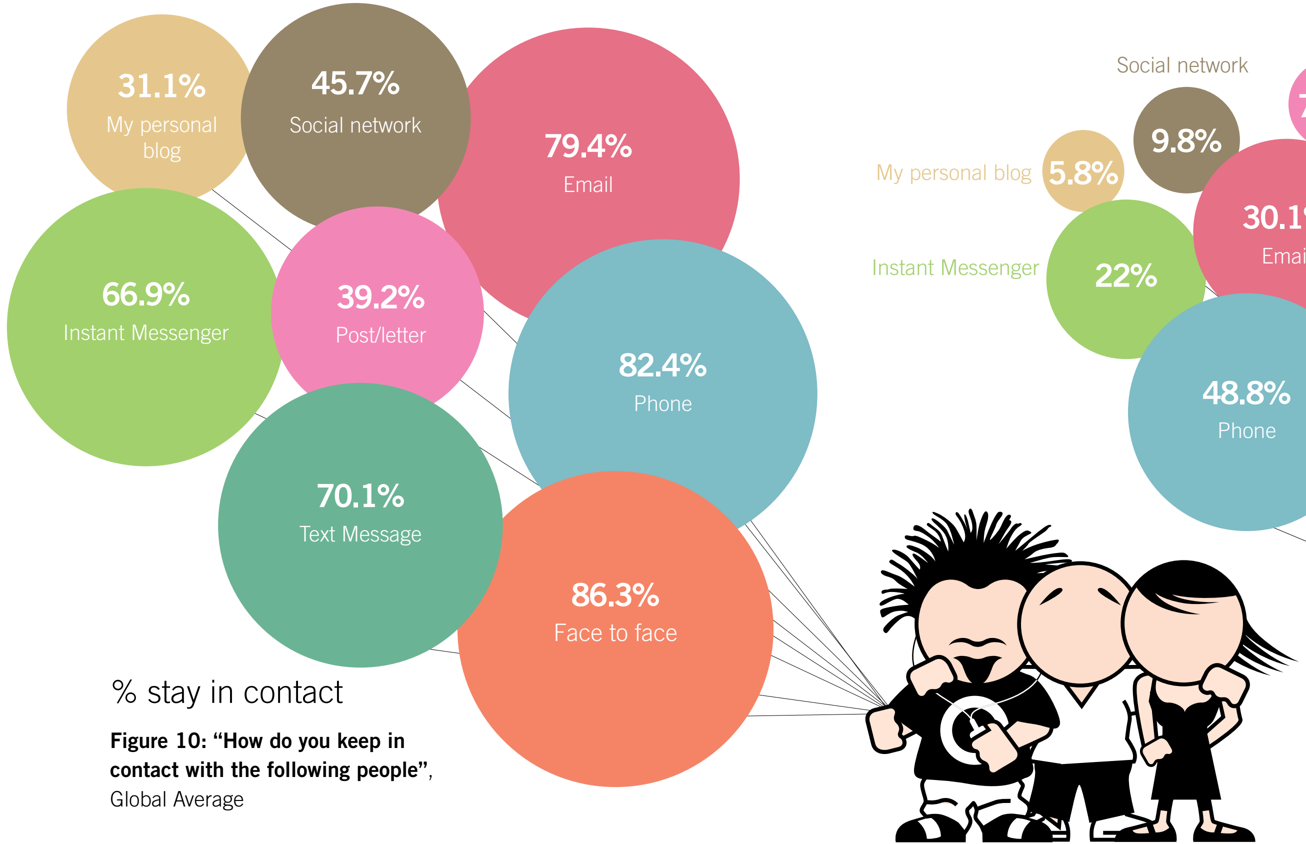
Digital friends cont.

The impact of virtual networks and digitised friends can be seen on our core day to day interactions with partners, friends, work colleagues and children. There has been a significant shift to virtual communication as shown in Figure 10. This is particularly marked within friend networks where 79% keep in touch by email, 70% by SMS, 67% by messenger and 46% by social networks. Interacting with current work colleagues is led by phone and email, where interactions tend to be more formal. Also social networks are beginning to become important as the boundaries between professional and personal continue to disapear.

The most remarkable trend is the influence of the virtual connection on our most personal of relationships. Nearly 38% of respondents say they keep in contact with their partner via SMS, 30% via email and 10% via Instant Messenger. All very significant compared to the 55% who stay in touch with a partner face to face. Staying in touch with children is a very similar pattern, remarkably 16% stay in touch by text and 13% by email, which again are very significant numbers considering just 34% have children and stay in touch face to face.

This is a big shift. Think back 10 years, email was just emerging as a business tool, IM and social networks were yet to exist and SMS was nowhere. Today an increasing amount of interaction is text-based and remote. The impacts on the way we interact, communicate and build our networks are substantial and they have a major effect on the way we interface, receive and transmit recommendations.

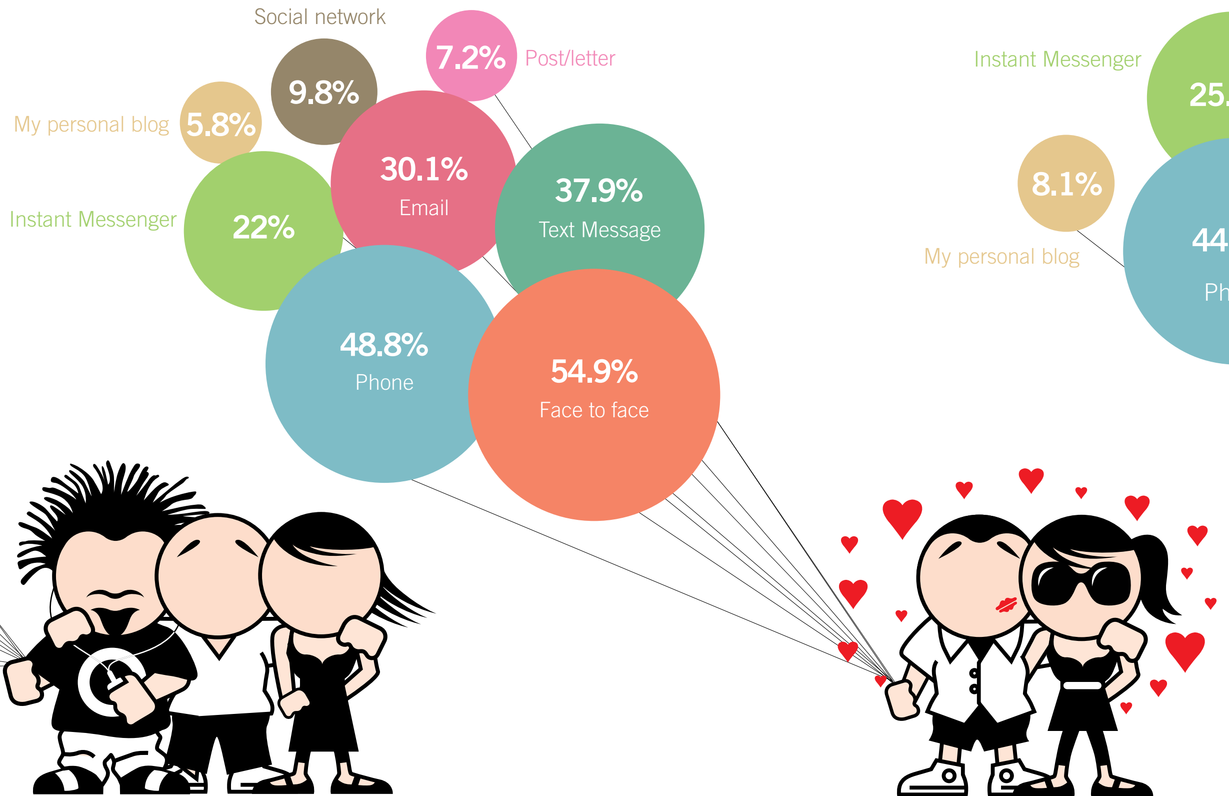
How do I keep in contact with my friends



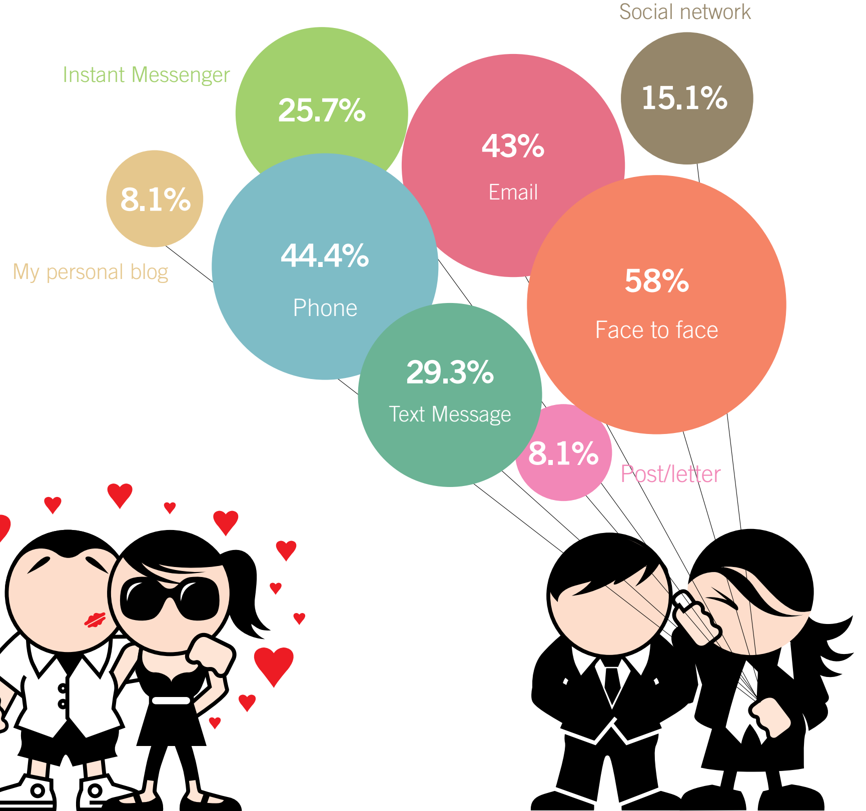
% stay in contact

Figure 10: "How do you keep in contact with the following people", Global Average

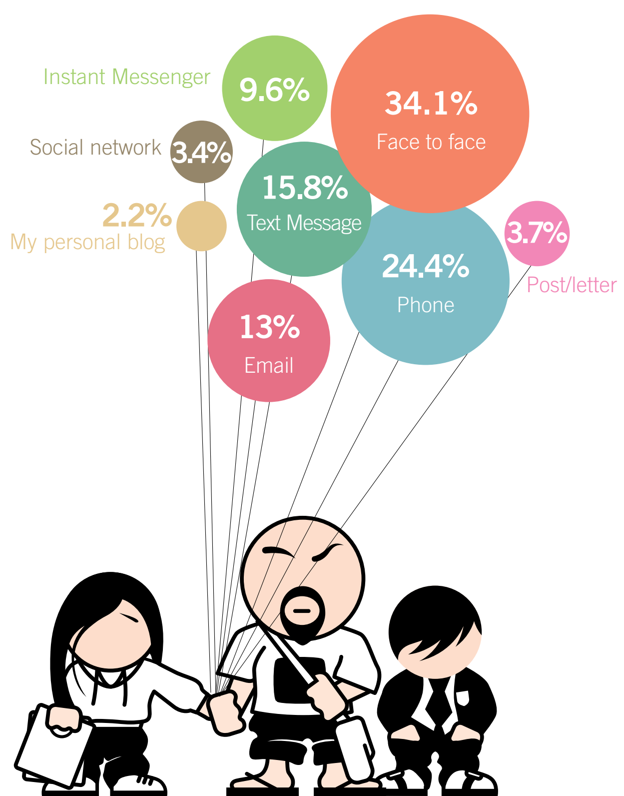
How do I keep in contact with my partner



How do I keep in contact with my current work colleagues



How do I keep in contact with my children



Proliferation of influencer channels

The continuing rise of social media and digitisation of our friend networks has opened up a mass of new influence channels that allow consumers to voice and have their opinions heard, both amongst existing networks and more importantly among a wider audience. Consumer contribution to the web has become the norm.

The result is that all sites are now incorporating social aspects that encourage consumer input and interaction and there is now a huge number of ways in which to share opinions as represented in figure 11. For example all e-commerce sites now have consumer reviews, comments and recommendations; Amazon allows users to compile wish lists of products, Ebay has consumer ratings of sellers and iTunes has consumer ratings and recommendations. This creates an environment where sharing opinions has never been so easy - a very real change in a very short space of time.

The result is a situation we can call casual influence, it's now incredibly easy to influence other consumers be it via voting buttons or creating favourites lists or even just by purchasing a product that will later become a recommendation for another consumer. There are so many tools to do this that we no longer have to really think actively about influencing.

Consumer influence channels – mass market age versus social media age

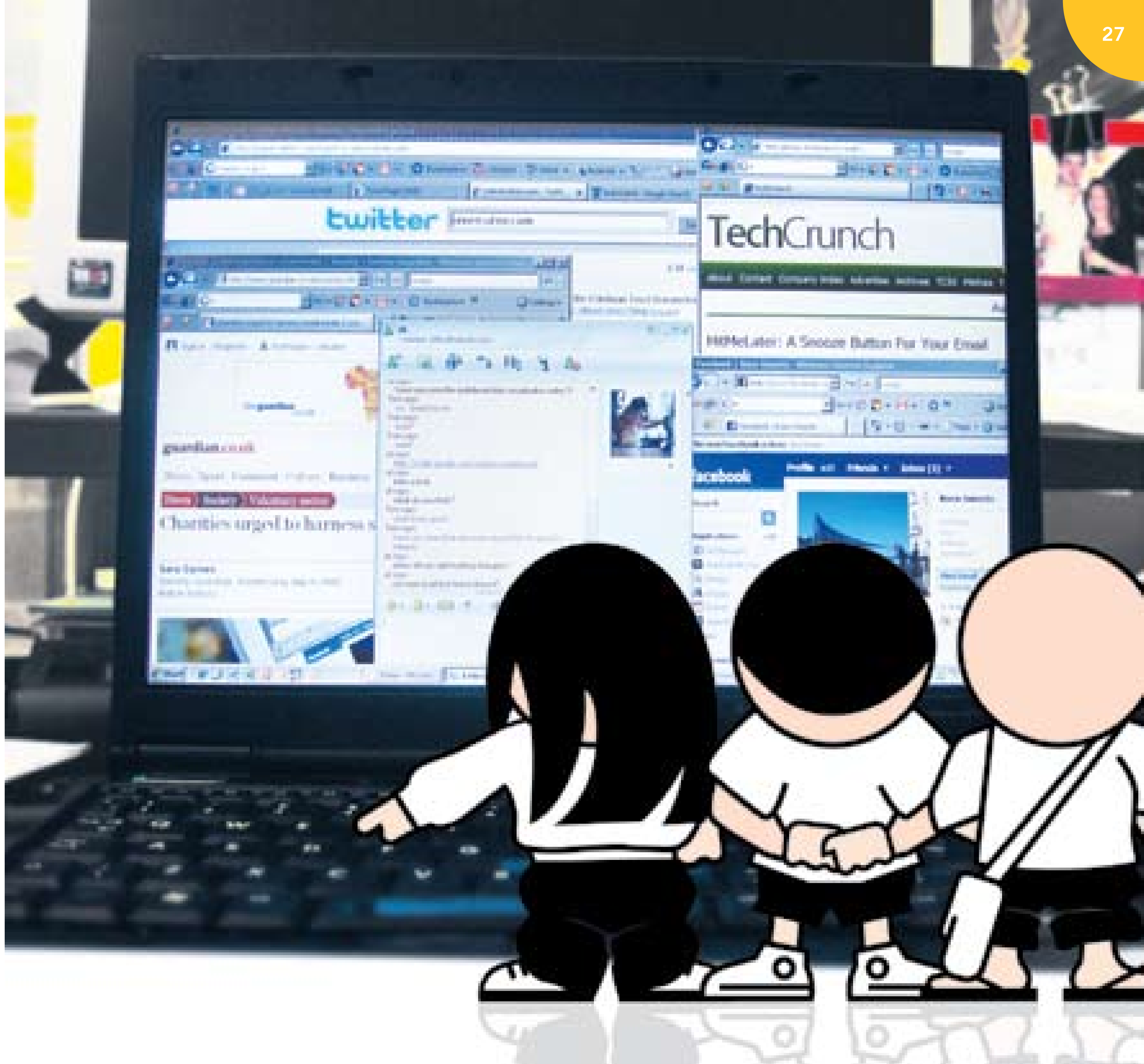
Mass Market Age

Talk face to face
Phone call
Talk to a shop worker
Consult a professional
Readers letters
Phone in; TV / Radio

Social Media Age

Talk face to face	Personal blog	Comments on blogs
Phone call	Social network page	Comments on websites
Talk to a shop worker	Widgets	Viral emails
Consult a professional	Video sharing site	Auction websites
Readers letters	Photo sharing site	Wish lists
Phone in; TV / Radio	Chat rooms	Ratings on retail sites
SMS	Message boards	Reviews on retail sites
Email	Social Bookmarking	Price comparison sites
Instant Messenger	Chat room	Social shopping sites

Figure 11: "Consumer influence channels – mass market age versus social media age", Global Average



Proliferation of influencer channels cont.

The extent of adoption of the new influence channels can be seen in figure 12, which shows the monthly reach. Over 44% of users have shared an opinion about a product or service by Instant Messenger with a friend in the last month and 42% by email. These two show that the web is an extension of the existing relationships.

Significantly social channels are also extremely popular and have very similar levels of penetration. More than 30% of people have commented on a product or service review on a blog, just above the 29% that have recommended a product or brand on a blog in the past month. Amazingly, both now rank above writing a review on an e-commerce site, a much more accessible and mainstream social channel.

How I share opinions of products, brands and services

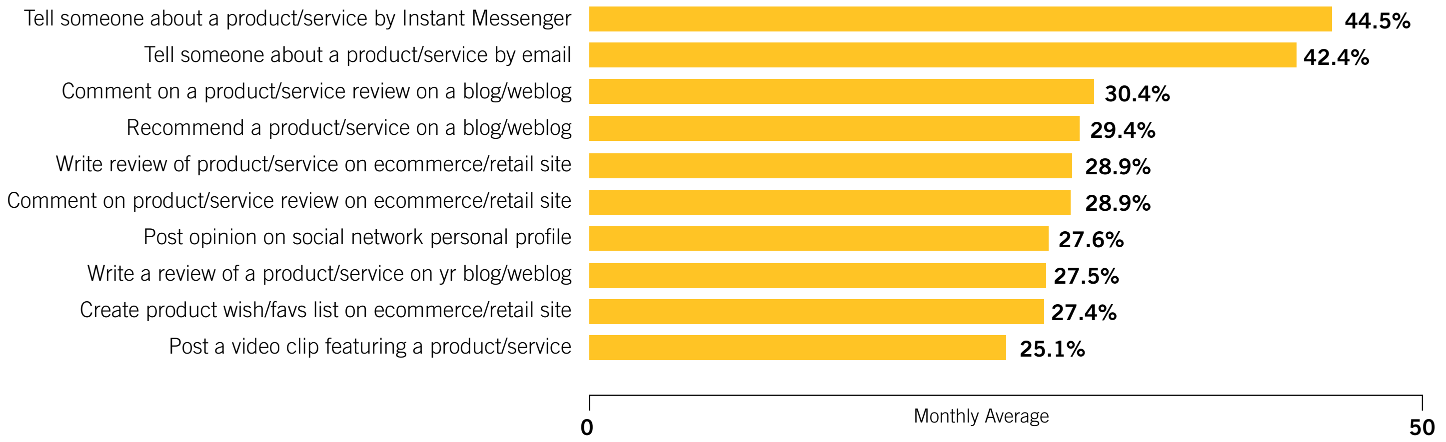


Figure 12: "Thinking about how you can share an opinion on a product, brand or service via the Internet. On average how often do you do the following?"
Global Monthly Average

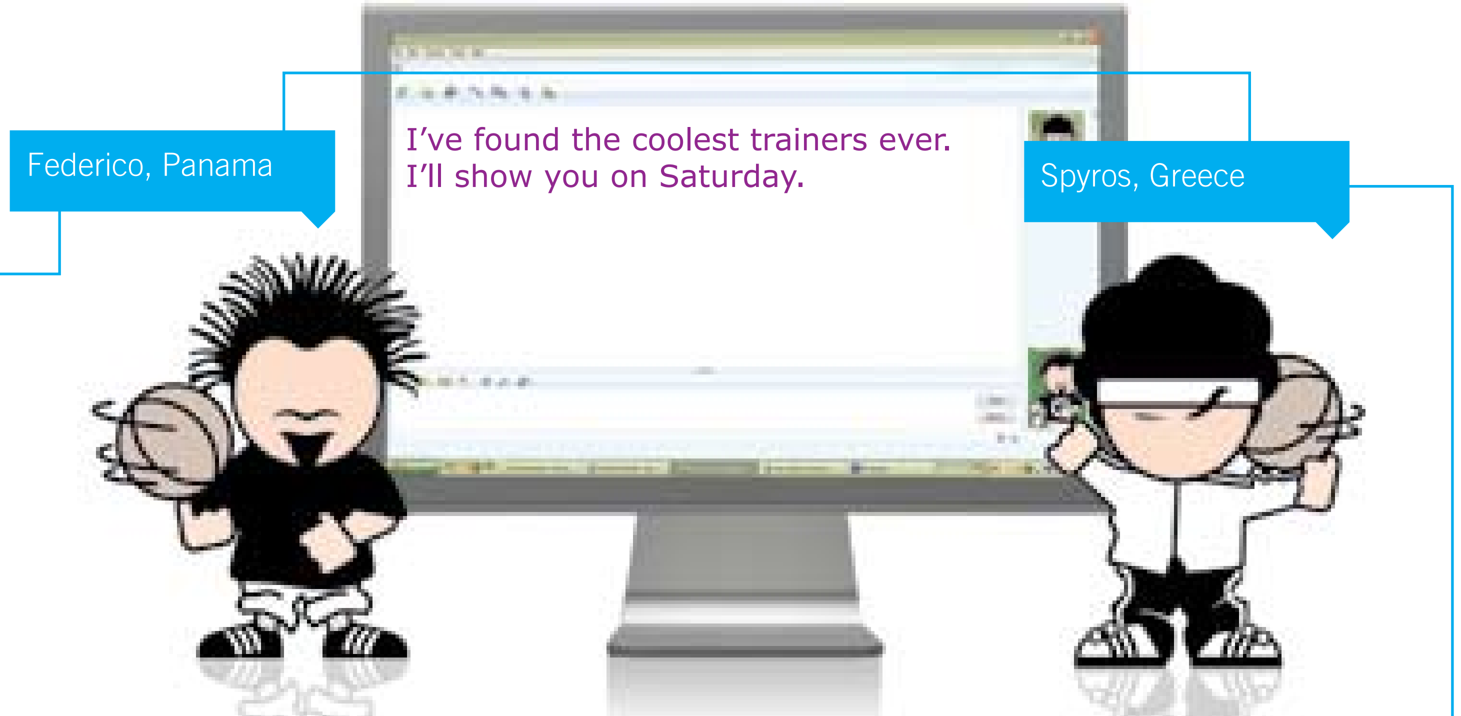
Proliferation of influencer channels cont.

There are clear motivations for online users to share their opinions. When asked to rate different factors on a scale of 5 for importance a definitive pattern emerges among the mass market as Figure 13 shows. The most important factors being a good experience, a friend having a good experience and a quality product – demonstrating the importance in the new influence landscape of investing in a quality product. These both rank above negative experience, rebuffing the misconception that people just use the web to complain.

All aspects of personal experience and personal recommendations are stronger influences than any traditional paid for communications except sampling. A clear demonstration that being active in social media will become increasingly important for brands.

Interestingly for the mass market, a brand being fashionable or discovering an unknown brand is not a major driver to recommend and users would much rather comment and pass judgement on something that is already known and familiar. This is because we are more familiar with these products and we feel safer in recommending it. This shows that the majority of us do not want to dictate trends, but respond and evaluate what is already established.

These motivations indicate two things; firstly companies that invest in quality product will succeed and will get a much greater exposure through consumer content than their marketing budget allows; secondly it means that companies with a bad product or trying to cover up bad behaviour will suffer in the transparent world of the influencer economy.



What motivated me to share my opinion?

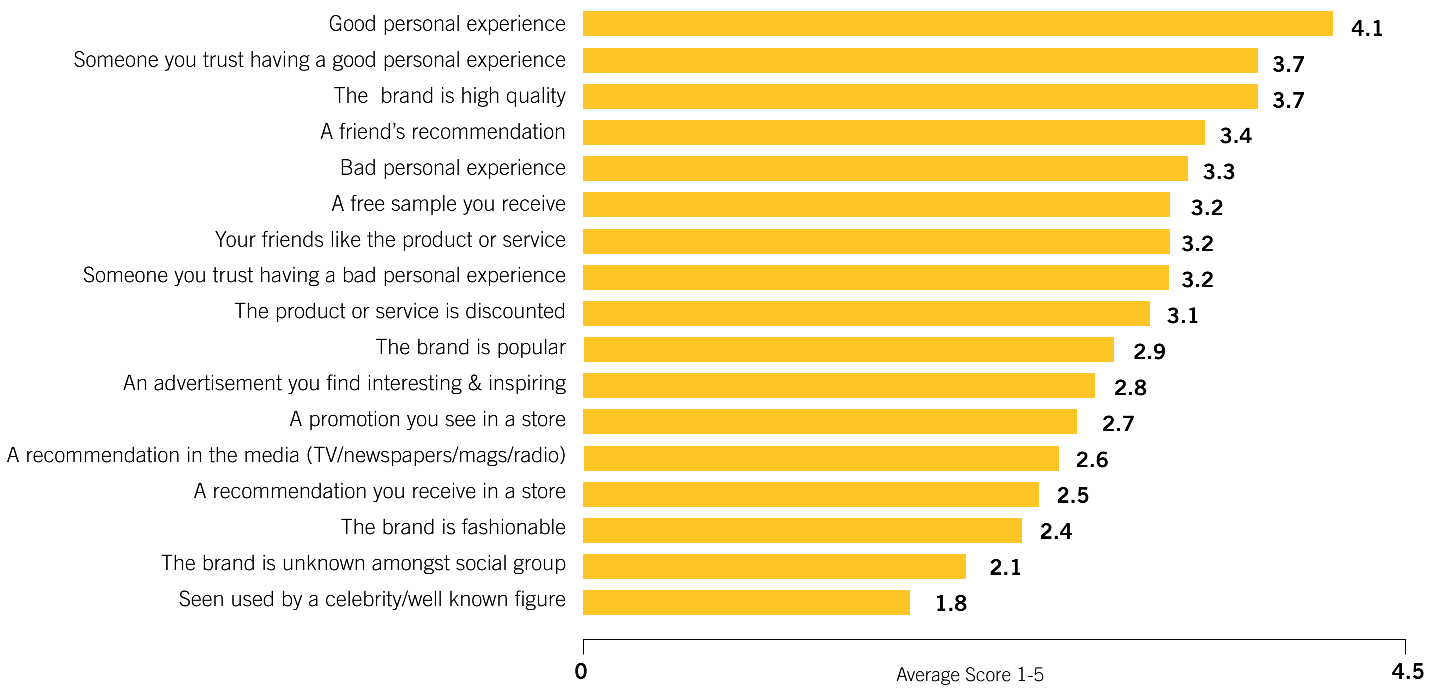


Figure 13: "The following are a list of reasons and motivations for you to talk about a product, brand or service. Please can you consider how important they are in motivating you to talk to others? Where 5 = very motivating and 1 = Not at all motivating." Global Average

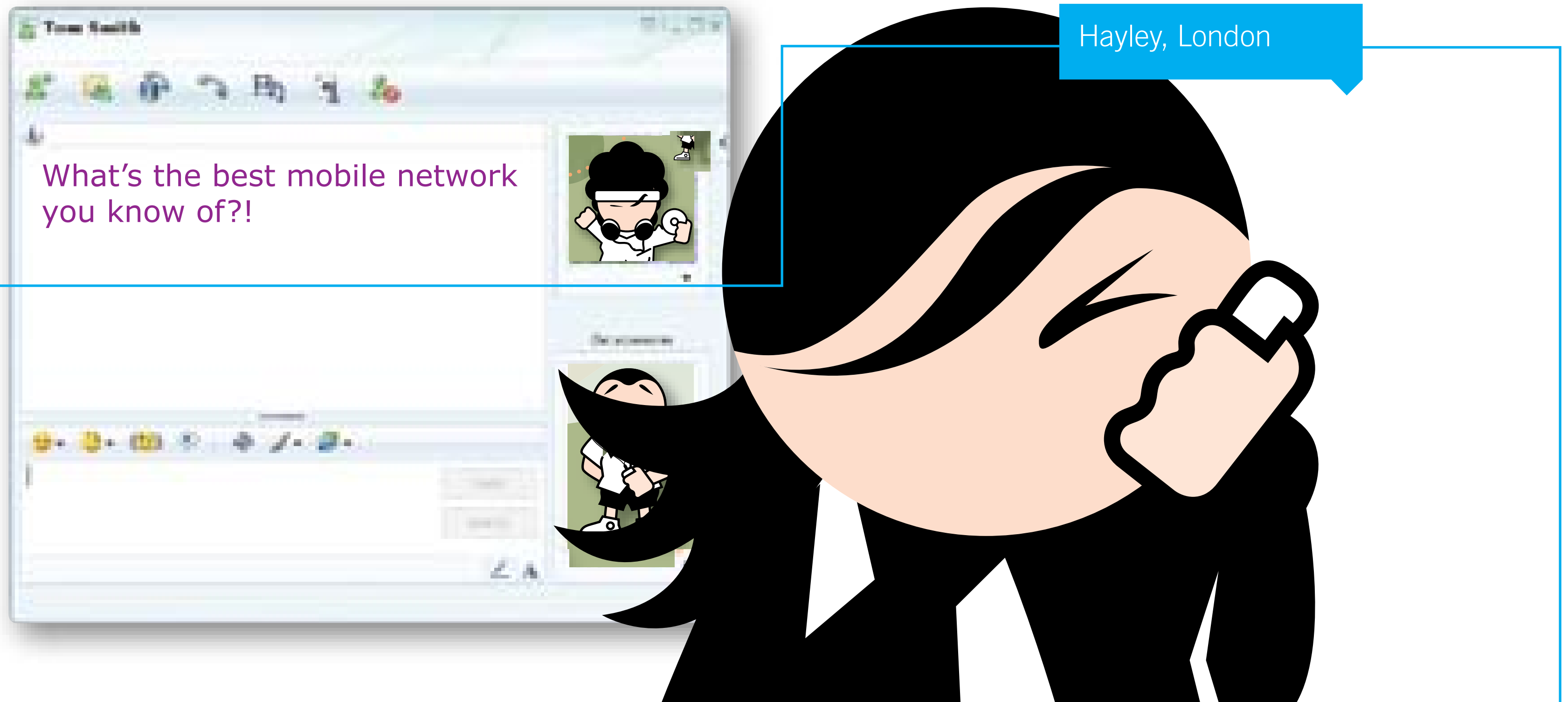
Proliferation of influencer channels cont.

As Figure 14 shows, these new channels have become an essential part of our repertoire for sourcing information on products and brands. When asked which ones were consulted for information on products and brands in an average month, all remarkably had a penetration of more than 40%, with all social channels competing extremely well.

Search is number one, but an email recommendation is virtually the same with 80% monthly reach. Instant Messenger conversation with a friend has the same penetration as visiting a branded website. Both of which demonstrate the increasing reach of digitised direct communication channels as a form of influence.

The other validation for the impact of social channels is the 55% of the active Internet universe claiming to have sought product and brand information on personal recommendations on social networks and 51% on personal blogs in an average month. This compares with 55% reading reviews on a news website for product and brand information in the last month and the same number reading reviews on price comparison sites.

It's clear that social and consumer-generated channels, regardless of environment are consumed at the same level as professional content - a big development in the growth of the new influencer landscape.



How I source opinions on products, brands and services

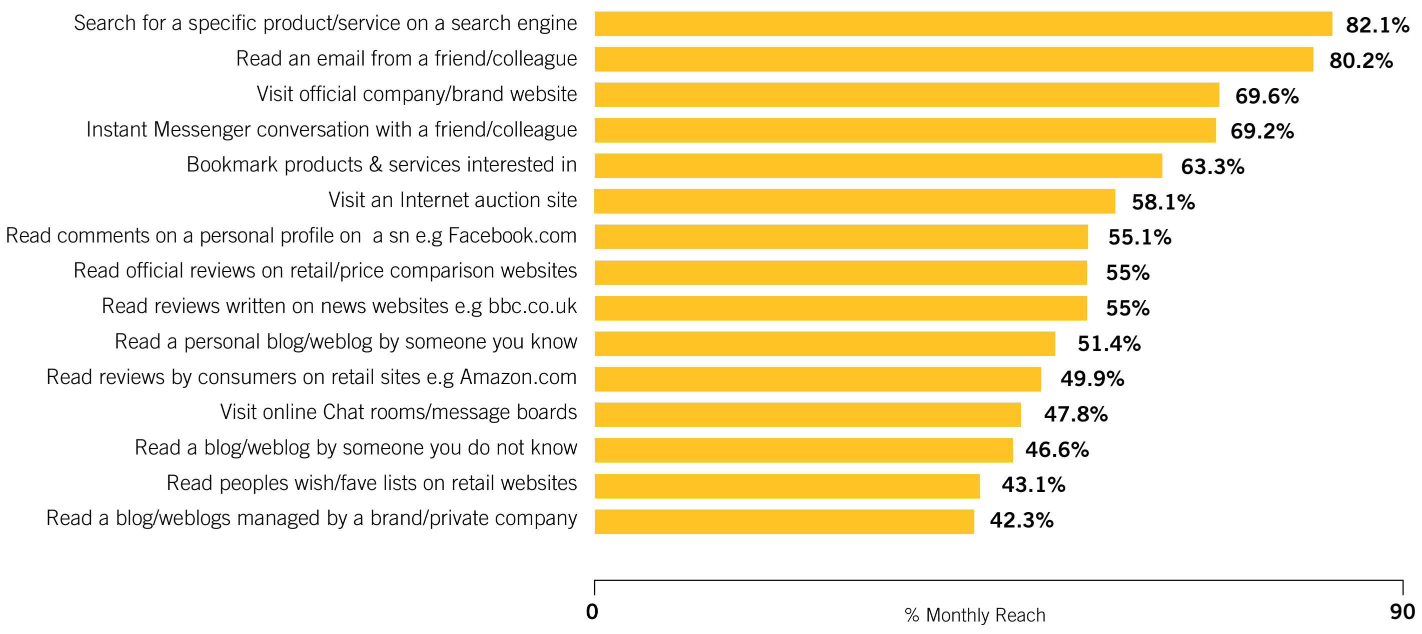


Figure 14: "Thinking about the process of looking for opinions on a product, brand or services online. On average how often do you do the following when looking for information on products, brands and services?", Global Average

Proliferation of influencer channels cont.

The common perception is that today's society is more dangerous and less community orientated than it has ever been. If you read the more hysterical newspapers, you could be forgiven for thinking that every stranger is going to kill you and steal your credit card. But as this research demonstrates, this is simply untrue, at least in the world of the web. Figure 15 shows the extent to which global web users trust different sources of information on products, brands and services, proving that online strangers simply aren't perceived as a threat, quite the contrary. Today we trust the opinions of strangers from all round the world almost as much as the people we know.

- The top four trusted forms of recommendation are all direct conversation – significantly two of these are now on internet channels: email and Instant Messenger
- We trust strangers online almost as much as face to face recommendation
- We would much rather trust a stranger than a celebrity, by a long way
- We trust a stranger over any paid-for communications or advertising
- We trust a stranger more in a regulated environment like reviews in a retail site such as Amazon or an auction site like eBay
- Blogs are becoming a trusted form of opinion, blogs from people you know rank at number 7 and those by from professionals or micropublishers, number 15. Blogs are almost as trusted as their written word counterparts, magazines and newspapers
- Not everything online is trusted: emails from companies are only marginally more trusted than celebrities

The sources of information I trust

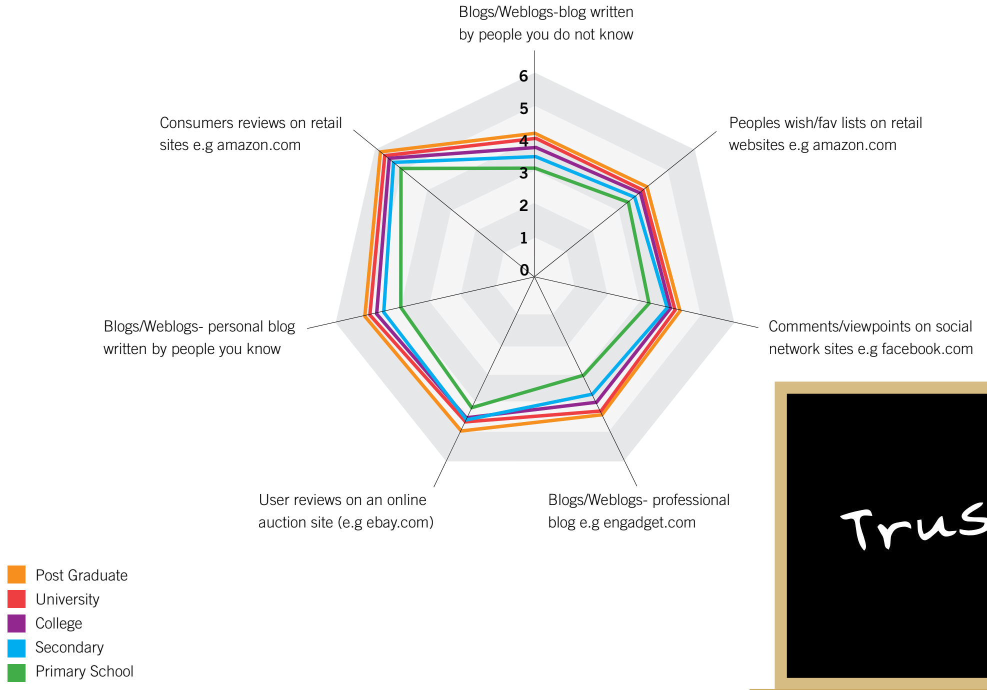
Figure 15: "Thinking about where you find information for products, brands and services that you buy. Please can you rate them in terms of how trust worthy the information provided typically is? Where 10 = Very trustworthy and 1 = Not at all trustworthy", Global Average

Proliferation of influencer channels cont.

It might be assumed that age will be a big factor in determining levels of trust of strangers. The assumption would be that the younger you are and the more familiar you are with social platforms, the more likely you are to trust consumer opinion online. As this research shows, it is simply not true – age is not a significant factor. Looking at the channels of information that consumers can project their opinions through by age group in Figure 18, it is clear that the difference in trust by age is marginal particularly when that opinion is seen inside another environment such as an e-commerce store.

Gender (Figure 17) is even less of a factor, with identical levels of trust. Interestingly the only demographic that influences in a major way is the final level of education; the more educated the more you trust the opinions of strangers (Figure 16), particularly on blogs.

Trust by final education level



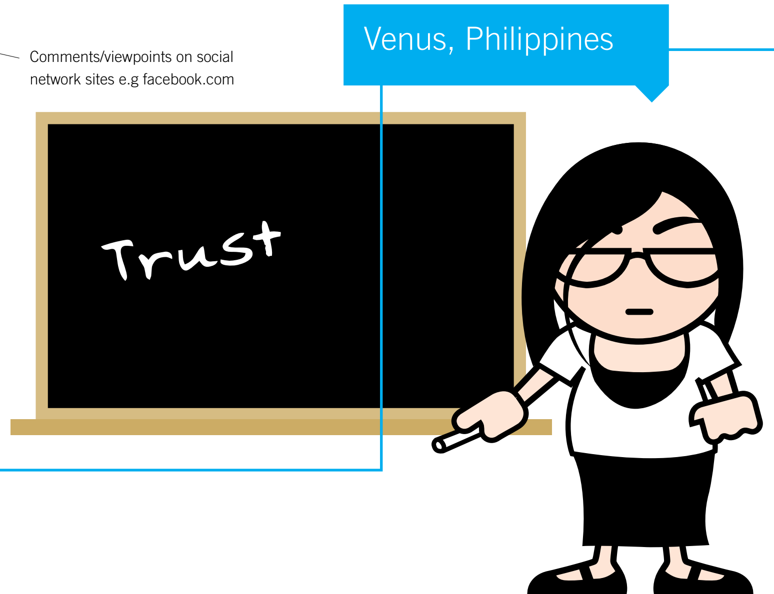


Figure 16: Trust by final education level, Global Average

Trust by gender

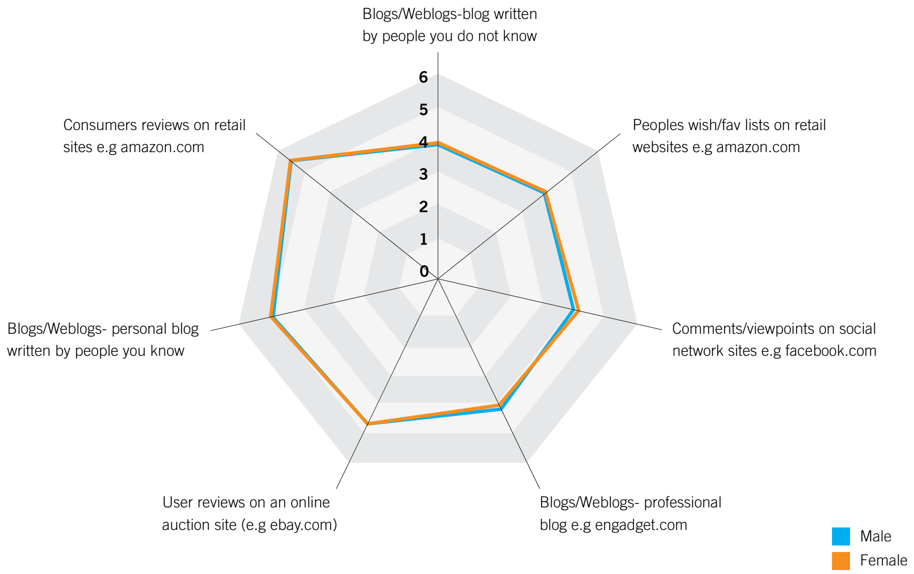


Figure 17: Trust by gender, Global Average

Trust by age

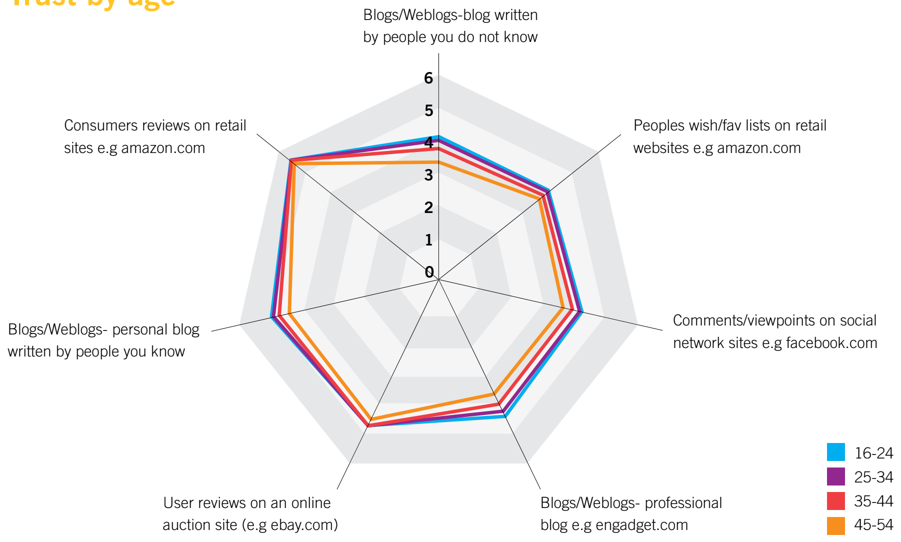


Figure 18: Trust by age, Global Average

Proliferation of influencer channels cont.

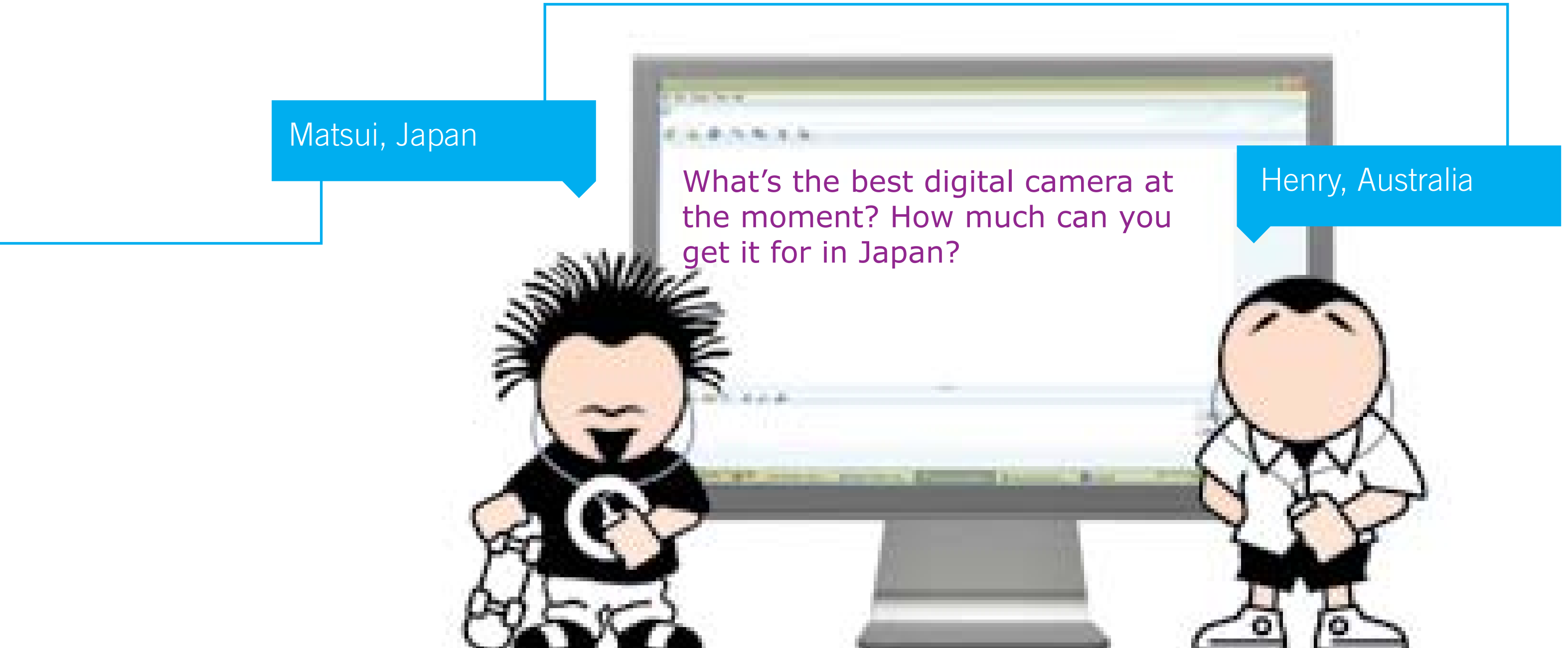
How much you trust strangers online is more likely to be determined by nationality and the resulting cultural, social and technological differences as demonstrated in Figure 19 – the levels of trust for social recommendations in some key developed and emerging markets and the differences are very clear.

Levels of trust are significantly higher in South Korea, where massive government investment has created the most connected and broadband proficient country in the world, leading to the highest levels of social media and content generation of any of the developed markets. The result is an ecosystem of influence, where the opinions of strangers are extremely well trusted.

Trust is next highest in China and Brazil where uptake of social media is also extremely high. Trust here is significantly higher than in the US, UK or Japan. There are also cultural factors at play: in China the collective is still important despite the in-roads of capitalism while in Brazil culture is more shared and open.

Japan, despite very high levels of technology, shows that culture and social factors are also important as levels of trust are much lower than South Korea. Friend networks in Japan tend to be much smaller and there are stricter rules of conduct about interacting with people not familiar to you.

The UK and the US have almost identical levels of trust and both are significantly lower than the average particularly in the unregulated environments of blogs and social networks. This reflects lower levels of participation in content generation and a culture where strangers have been increasingly depicted in the mass media as a threat.



Trust by country

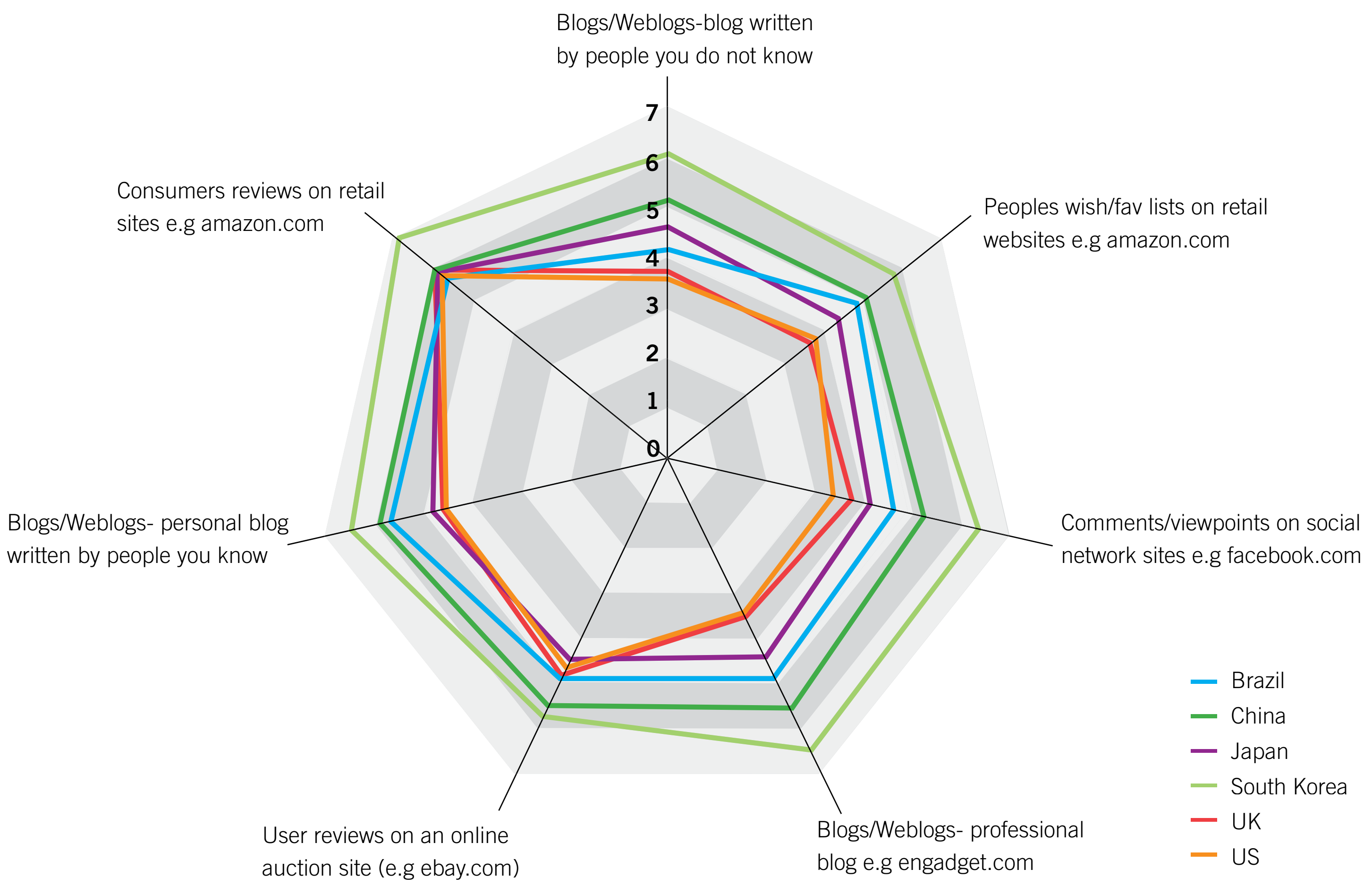


Figure 19: Trust by country, Global Average

The new influencer landscape: the summary

The rise of social media

- Has turned hundreds of millions of us into content creators and placed billions of opinions online
- The world's collective thinking is now online and published, a first in history
- A total revolution in the way consumers share influence and opinion

Digital friends

- Digital channels have moved more of our social interactions into the virtual space and into text and the written word
- The web has expanded our networks to include people we don't know and people we used to know and in a pre web age we would have lost contact with
- Digital channels encourage more frequent interaction and make it easier to share influence e.g through sending links, videos or pictures

Proliferation of influence channels

- The continual rise of social media and the growth of mechanisms for user input have created an incredible wealth of outlets to share opinions and thoughts
- There is a new form of casual influence – It is now incredibly easy to share opinion, from voting buttons, to wish lists to comments. These are powerful forms of influence that do not require much commitment
- We now trust a strangers recommendation as much as our closest friends
- We trust recommendations in social media channels more than paid-for communications

The new influencer landscape: the future

Social Shopping
New social shopping and recommendation sites have emerged, built entirely around the consumer recommendation. It's social networking meets shopping, aiming to connect you with products you would never find in Wal-Mart. Currently they are biased towards the US and English language, but expect them to proliferate across the world:

www.crowdstorm.com

www.kaboodle.com

www.stylehive.com

www.thisnext.com

www.wists.com

www.osoyou.com

Recommendation Aggregation
Services are evolving to transmit your recommendations into one place, pulling them from across the web.

Facebook Beacon

Participating sites share your purchases and selections into your Facebook news stream. For example if you buy a movie ticket on Fandango, watch it appear as news on Facebook. Highly controversial on launch due to privacy concerns – watch what you buy your girlfriend as a birthday surprise.

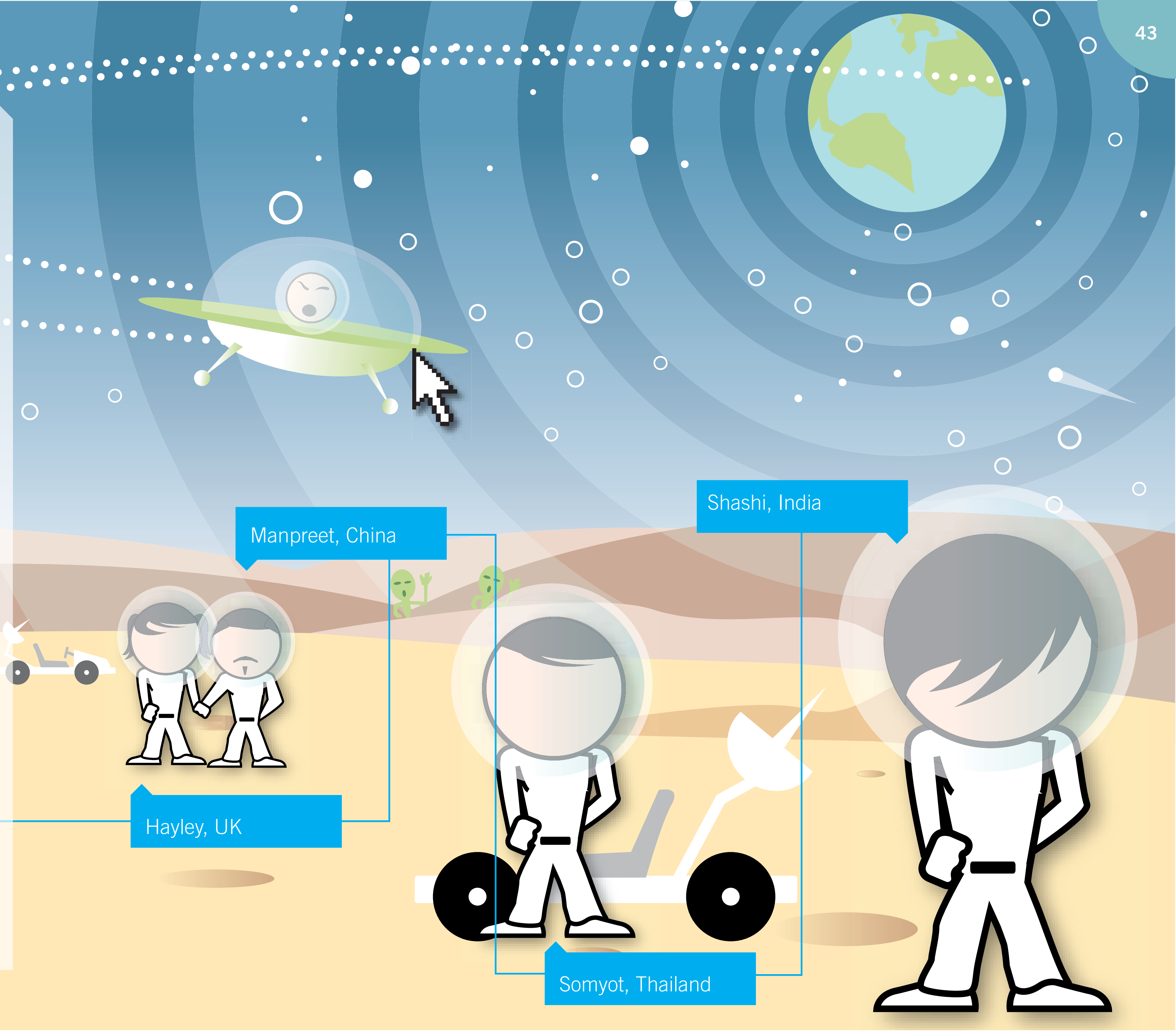
friendfeed

Friendfeed aggregates all your feeds from across social media into one place. Favourite a YouTube video, add a product to your Amazon wish list or post photos onto Flickr – everything appears in one chronological feed for your friends to see.

Recommendation through behaviour
What you buy or do will influence others through the data mining of actual behaviour. Expect the sophistication of these recommendation engines to improve every move you make online to contribute to recommendations systems, creating a system where you influence without even trying.

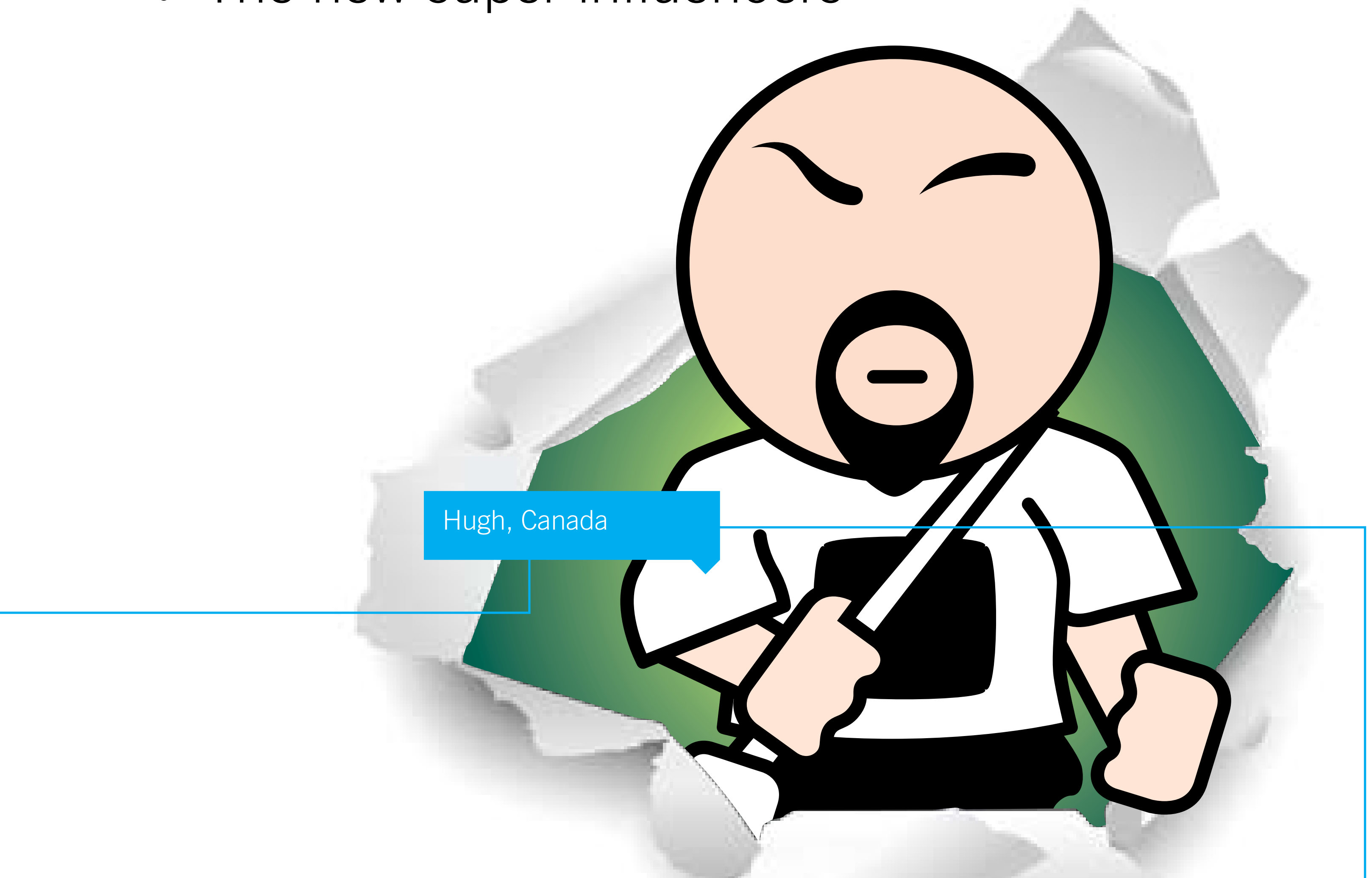
Netflix: The US DVD rental service has launched a $1m prize to improve its recommendation algorithm that works out whether you'd like a film or not.

Amazon: The global retailer uses collaborative filtering algorithms to give you relevant product recommendations based on real life purchasing. One reason why Amazon has stayed on top.



The impact

- ➜ The influence economy
- ➜ The democratisation of influence
- ➜ The new super influencers



The influence economy

The social web has enabled every web user to have the chance to contribute their opinions on products and services. But this impact is not uniform across all types of information, products and services. Figure 20 shows the impact the social web has had on our ability to share opinions and information by category. The most striking observation is that the participation rates for reviewing online are extremely high across all categories.

The leading categories are those which are highest participation; films, music, technology and books. Subjects we all experience, have made a major impact in e-commerce and all have an opinion on, regardless of expert knowledge.

The big surprise is the high levels of contribution in sectors that you would traditionally consider low interest, such as utilities or financial services. In addition consumers are just as willing to comment on services and products they can't buy online. Categories such as alcoholic drinks, groceries and cosmetics are still heavily reviewed, indicating that the impacts of consumer opinion are being felt regardless of the sector.

The implication of this is that all products are now exposed to higher levels of consumer scrutiny pre-purchase; they have to be more open, transparent and honest. Bad practice or poor service will be reported and will enter the purchase decision process. Brands today are involved in social and conversational media, whether they like it or not.

What I have recommended online

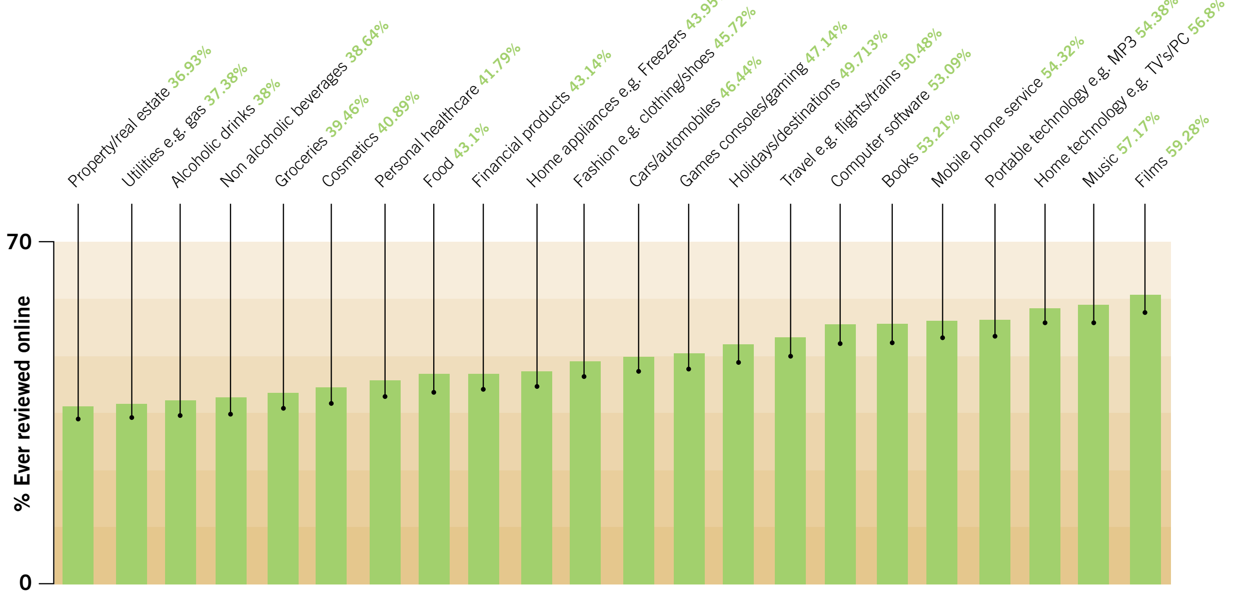
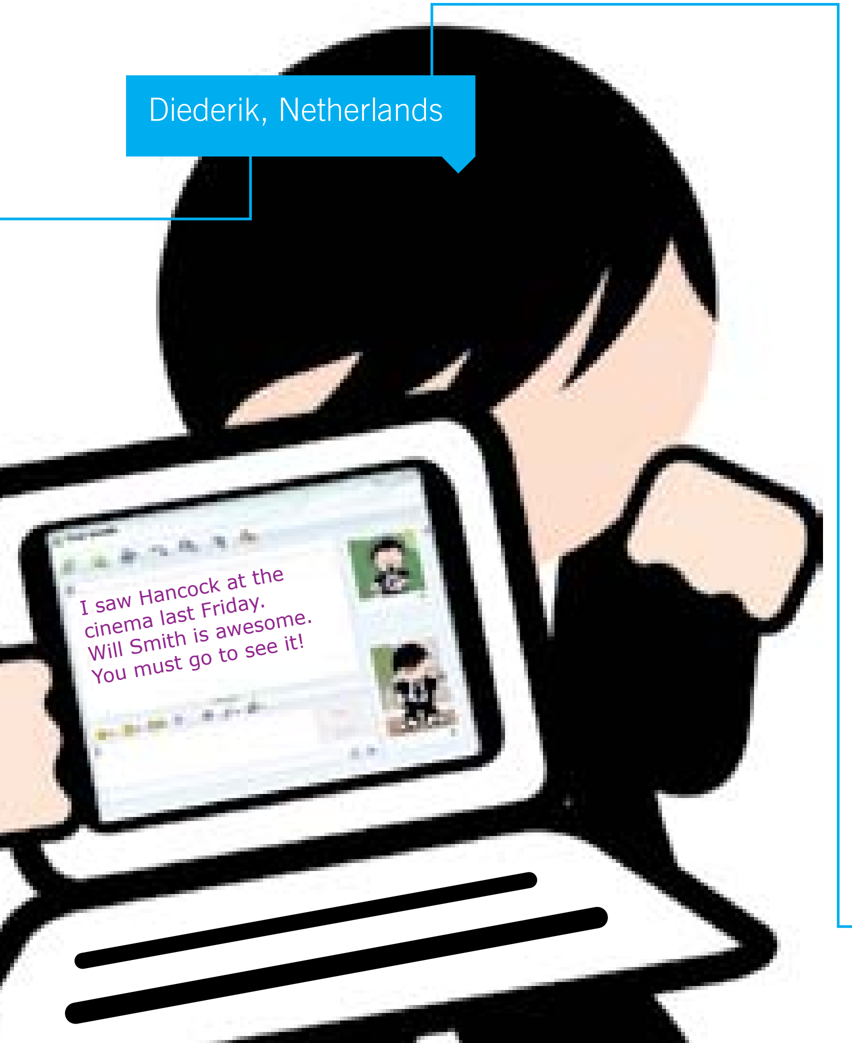


Figure 20: "Thinking about the following types of products, brands or services. Can you please indicate whether you have reviewed them online, either a positive, average or negative opinion", Global Average

The influence economy cont.

Using films as an example, a clear global pattern emerges demonstrating the places where the influencer economy is currently strongest (Figure 21). As films are universally viewed worldwide, regardless of income, this is a sensible measure to pull out the extent of involvement in the influence economy.

Diederik, Netherlands



The leading markets are predominately Asian; South Korea, Hong Kong, Philippines, India, Pakistan and China. This shows that extremely high participation rates in social media are spilling over into direct recommendations on products and brands. The only exception to the Asian dominance is Brazil, a country that is obsessed with social networking.

Participation rates fall dramatically for Europe and North America, which is not due to any less love for film but more of an indication that the more developed web markets haven't embraced the consumer influence revolution with the same level of enthusiasm. Factors in this include a more developed mass of traditional media to provide influence, a legacy of passive web usage prior to social media and the growth of experts on to the web to share their opinions in a manner more like traditional media. It's no coincidence that blogs in Asia have been employed as a social channel, while in the US and Europe they are more likely to be a channel to project your opinions to the many, a reason why thousands of micro-publishers have emerged in the blogging environment.

This analysis indicates that levels of opinion contribution are a reflection of overall usage of social media. It is also clear that culture plays a factor. In Asia and even more so in Chinese influenced communities, hierarchical societies predominate and sharing opinions face to face is not as accepted as it is in the more individualistic societies of Europe and North America. The web has acted as an outlet for these opinions allowing the new influencer landscape to bypass traditional hierarchies.

Have you ever reviewed a film online?

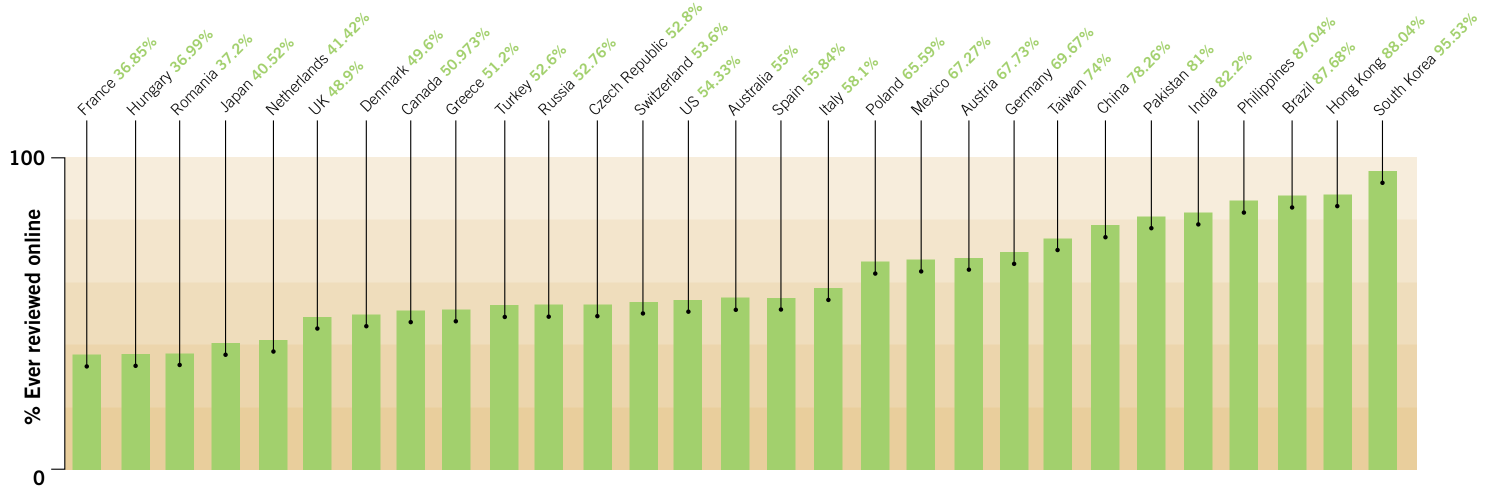


Figure 21: "Thinking about the following types of products, brands or services. Can you please indicate whether you have reviewed them online, either a positive, average or negative opinion", Films Category

The influencer economy cont.

When it comes to sourcing information, there are significant differences by category with larger variations by category than for the sharing information. The result being that some categories are very high in sharing and low in sourcing and vice versa. The leading category, 'holiday and destinations' is the lead category for sourcing information but very few people actually share their own experiences.

The leading products after holidays and destinations are home technology, travel and portable technology; not only high interest, but products that have been strongly impacted by e-commerce. Following travel and technology films, music and books are the next most popular, all important in the sharing of information, making them very active categories in the influence economy.

Interestingly the products that are low in terms of sourcing information are also low categories for e-commerce, such as groceries, beverages, healthcare and cosmetics – all impulse or immediate need products that rarely have a significant consideration period. However these are all categories we have reviewed online – showing a disconnect in contribution versus sourcing,

The other interesting observation is the number of people who have researched 'big ticket' items such as cars and property is still significant. This is important as it demonstrates that consumer influence on the web is also impacting long-term branding.

What I have researched online

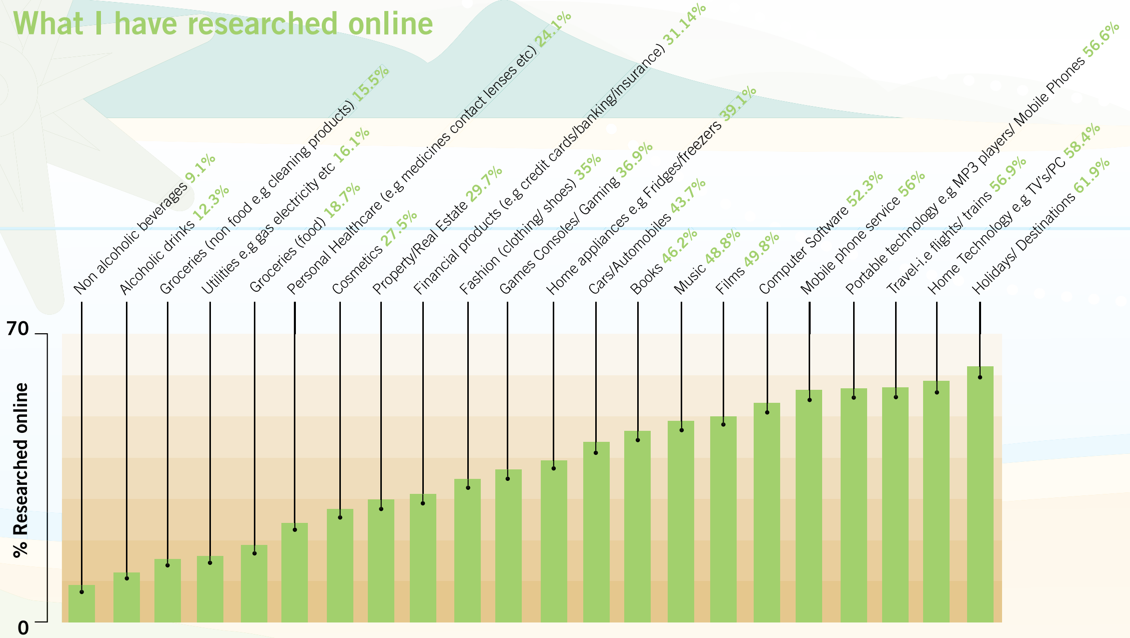


Figure 22: "Which of the following types of products and services have you researched online before choosing to buy?", Global Average

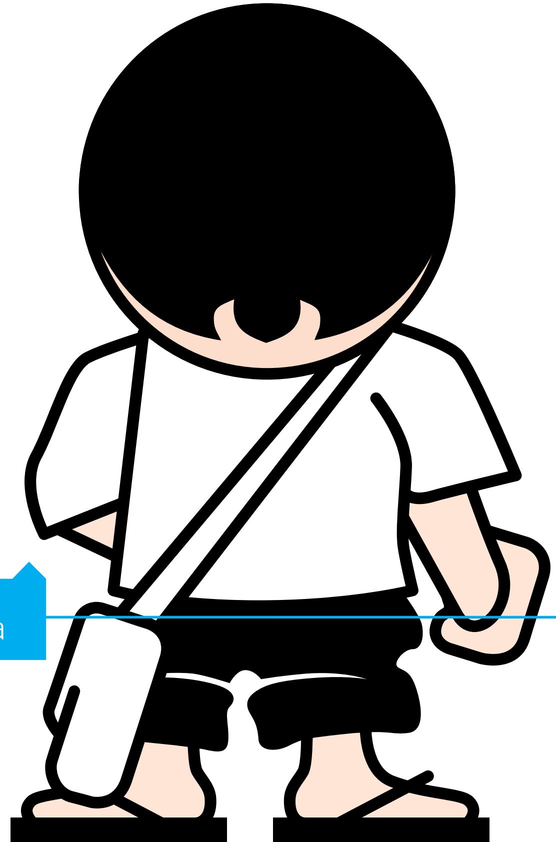
Democratisation of influence

Figure 23 shows the impact of the new influencer landscape – when asked whether we see ourselves as influencers or receivers on a number of product categories, we now claim to be influencers or receivers across a huge number of categories both on and offline.

Firstly the extent to which we consider ourselves influencers is much higher across all categories than would be expected and is now similar to the extent that we consider ourselves to be receivers – this is a direct result of the ease of access for sharing influence. Secondly there is a correlation between the categories that are most popular for sharing information online and the ones that we now consider ourselves to be influencers in – music, film, books and technology. These are the categories most dependent on personal taste. This shows how important the web is in shaping the influence economy.

Groceries and drinks prove the exception to the rule as they are products that we are all knowledgeable about and consequently have always been rich in our verbal conversations, however they don't fit into our online conversations, mainly because they are impulse products without a long purchase process.

Looking at the categories where we are predominately receivers, it is the categories that are less dictated by personal choice and more about in-depth knowledge. They are the fields that are traditionally low interest and dictated by experts, such as property, finance, cars and cosmetics. However the impact of the new world of influence can even be seen here: although they rank last, they are still all over 40%; a reflection of a consumer who has access to unprecedented volumes of knowledge, opinion and fact online. This will no doubt increase over time, eroding the power of the experts and bringing consumer influence into all categories.



Rolandas, Lithuania

The categories I influence in

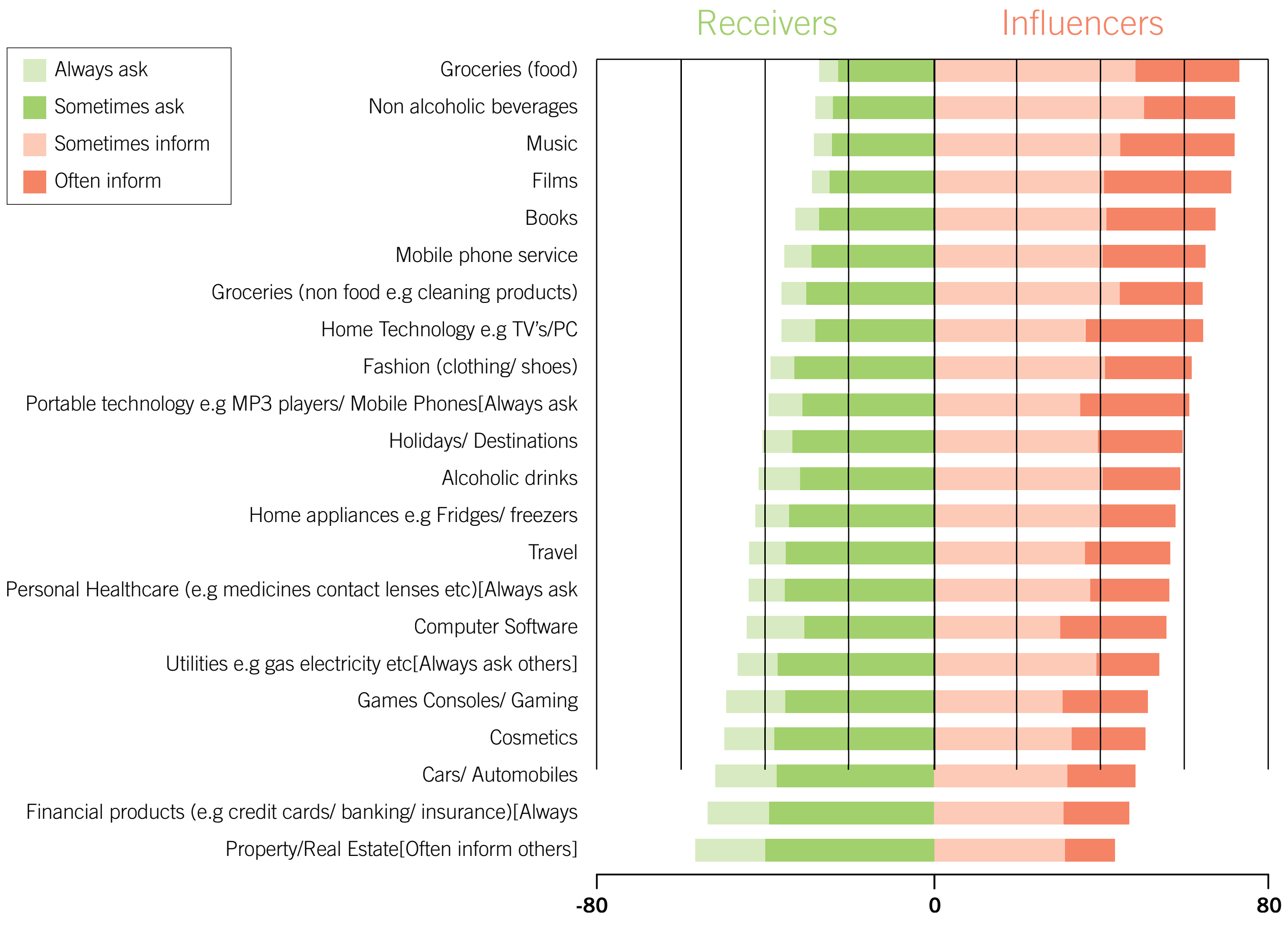
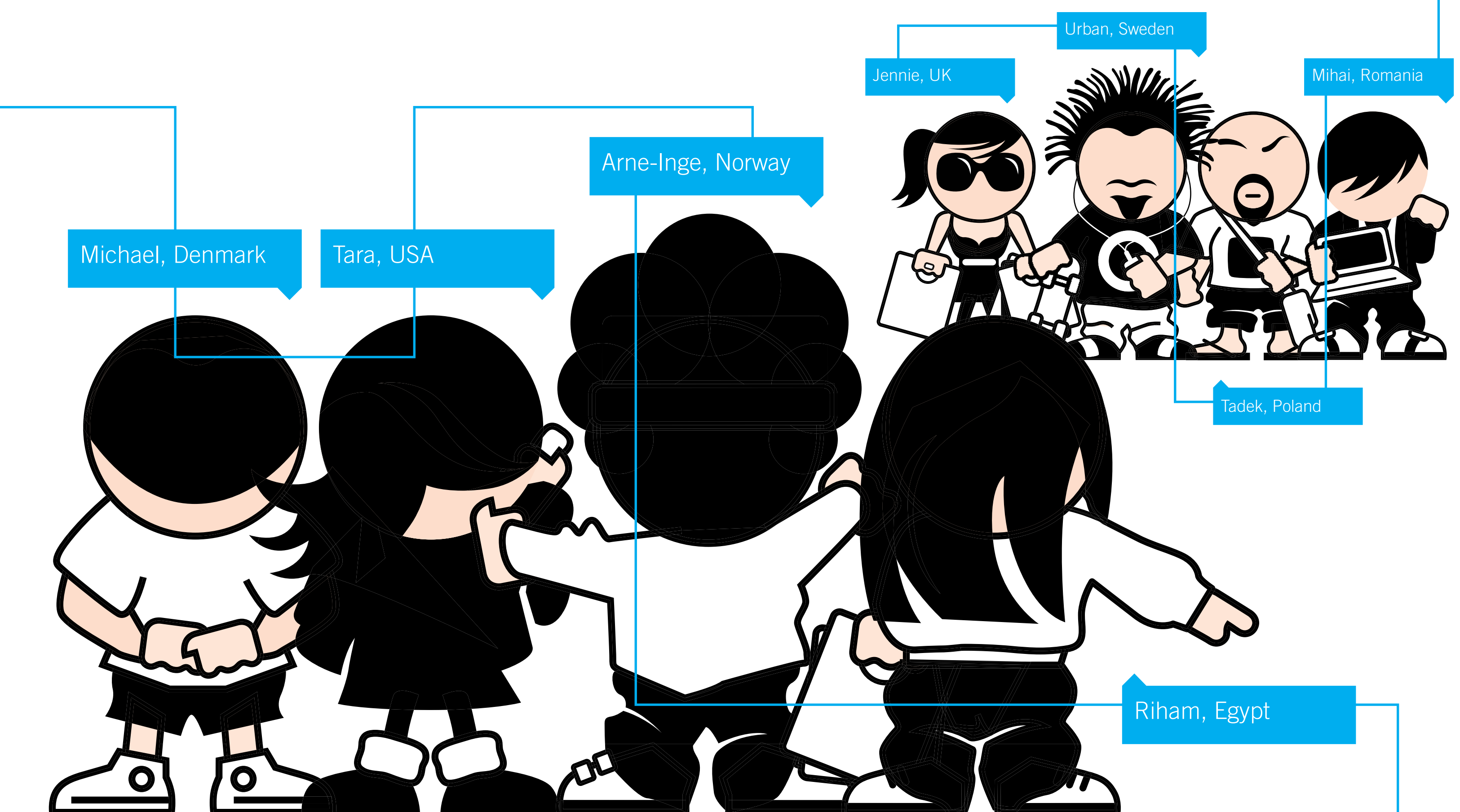


Figure 23: "Thinking about the following type of products, brands and services, which of the following statements apply? I often inform others on what to buy / I sometimes inform others on what to buy / I sometimes ask others what products to buy /I would always ask others about what products to buy ", Global Average

Democratisation of influence cont.

The true picture of the democratisation of influence can be seen in the number of categories that we claim to influence in. Figure 24 shows that we consider ourselves to be influencers across several categories. The peak of influence around 12-14 categories is much higher than would have been expected before the advent of the web. Visually it can be seen that the pattern of influencers is top heavy, the majority influence in 10+ categories, which is much higher than the mid point for sourcing information - we now claim to share more than we receive.

More importantly this contradicts the idea that we live in a simplistic world where there is a small group of “influencers” who dictate their agenda to everyone else. The truth is everybody influences and receives information across a huge number of categories and thanks to social media this trend has been amplified. The reality today is much more complicated.



The number of categories I influence in

Number of categories influence/source

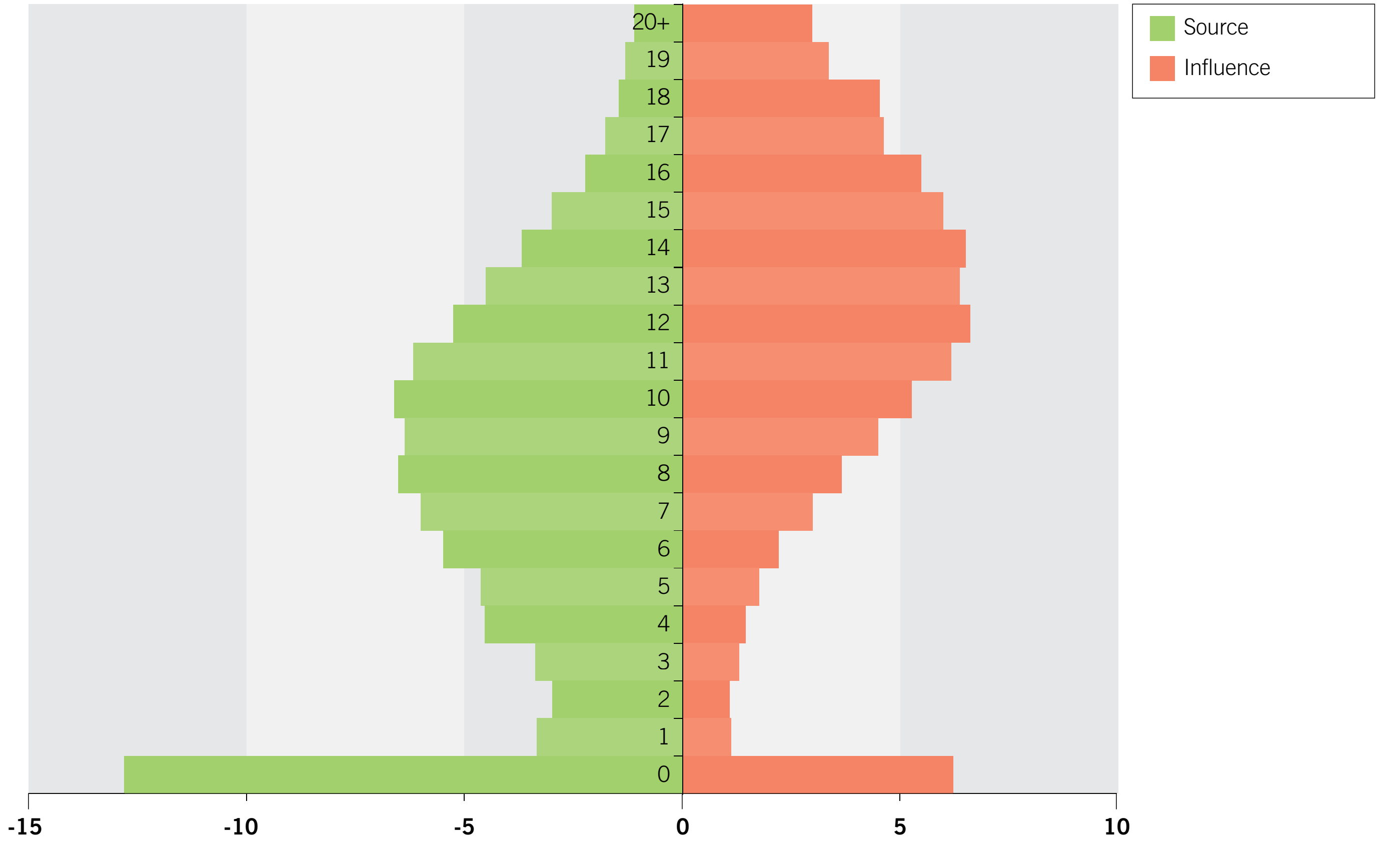


Figure 24: “Thinking about the following type of products, brands and services, which of the following statements apply? I often inform others on what to buy / I sometimes inform others on what to buy / I sometimes ask others what products to buy /I would always ask others about what products to buy”, Global Average cumulative number of categories

The new super influencers

Now we all influence – the real indication of a true influencer is someone who does it regardless of category, so if we look at respondents who claim to strongly influence in 15+ categories, we can see the emergence of a super influencer. This is a new kind of influencer who, thanks to social media and the tools it provides to create and share influence emerges above the clutter of mass influence to spread opinion far and wide.

Figure 25 shows how they are more likely to be male, 25-34 and be mid or senior influential office workers. They are also more likely to be highly educated.

Essentially in the knowledge heavy, written world of the web, intelligence and computer literacy are major factors in spreading significant influence.

Super Influencer demographic

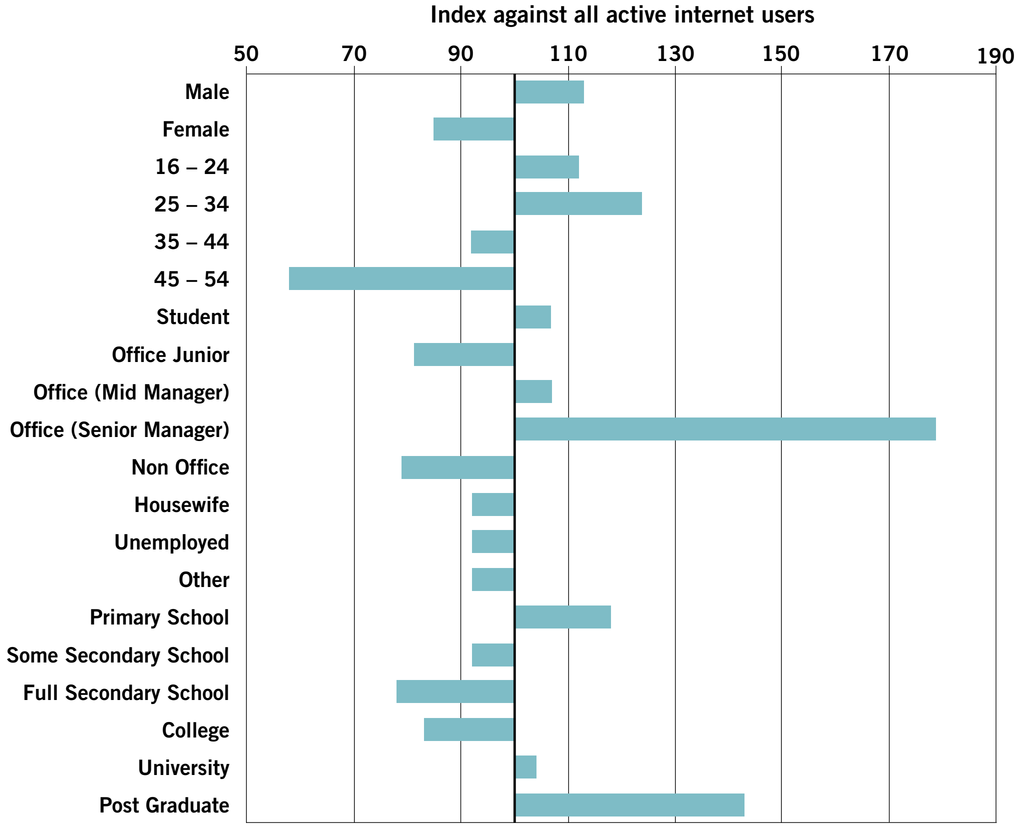


Figure 25: Super Influencer demographics indexed agsinst all respondents

The new super influencers fit the typical profile of early adopters who are likely to try new products, take risks and share their opinions with friends. The top statements are as you would expect; first amongst friends to try new products; I like taking risks; I spend a lot of time out and about with friends; when buying products my friends ask my opinion.

Super influencer attitudes

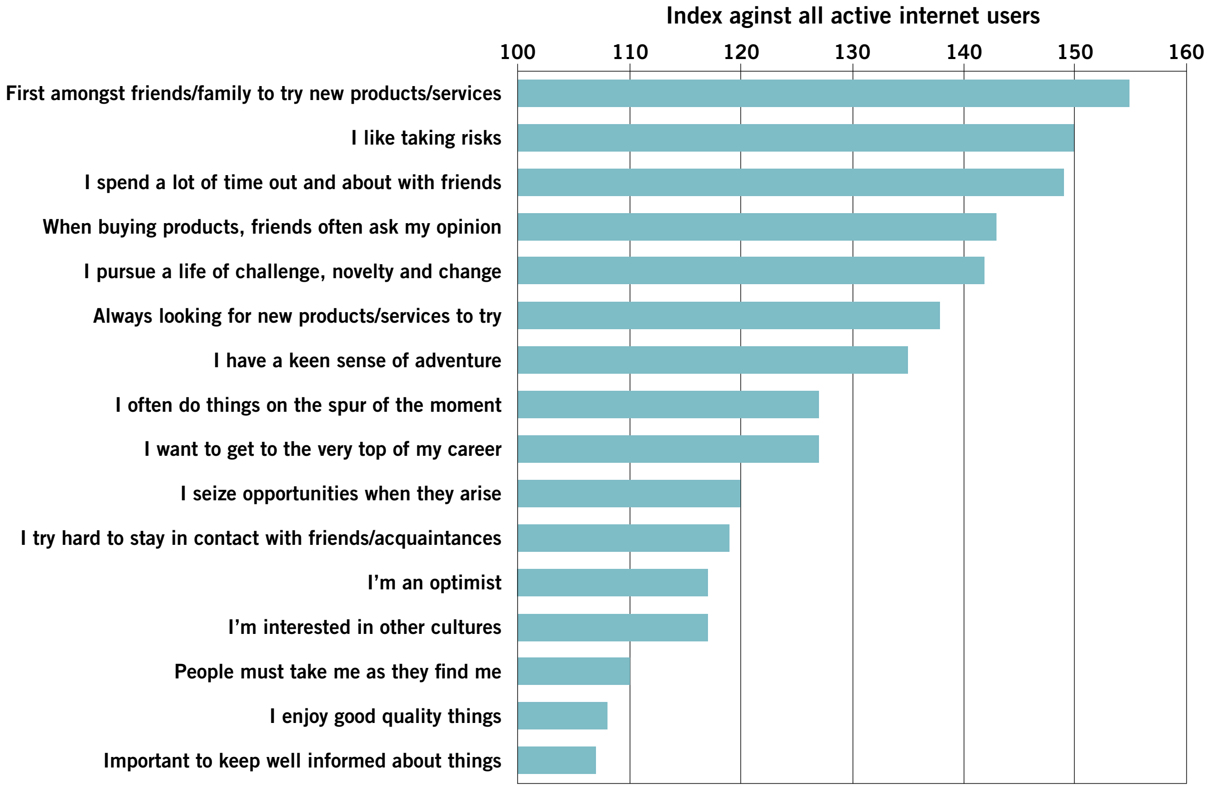


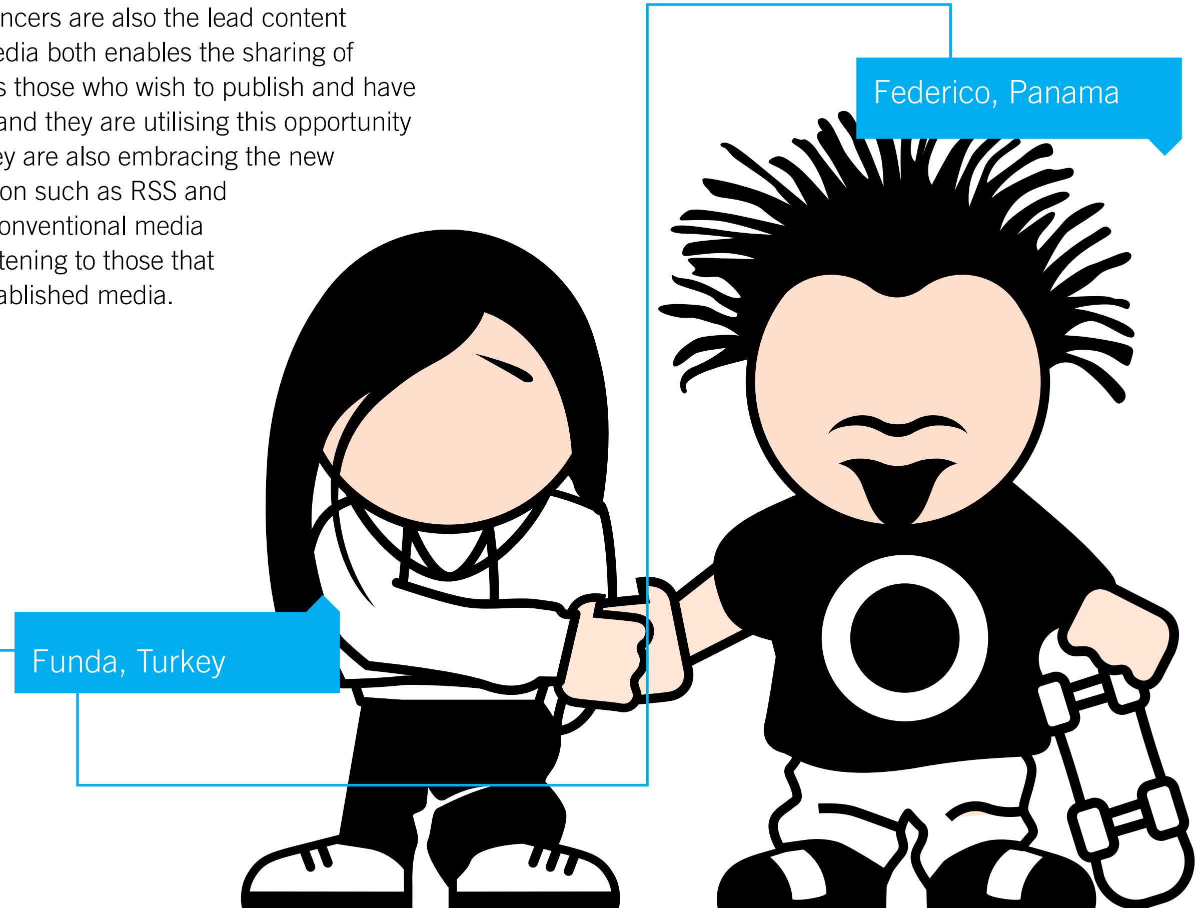
Figure 26: Lifestyle statements indexed against all respondents

The new super influencers

The most defining aspect is that they are extremely heavy users of social media, particularly in terms of content creation. Figure 27 demonstrates that they are much more likely to blog, upload videos and photos and comment on sites and social networks. Social media is providing them with the tools to create and share influence and they are doing so in massive numbers regardless of subject matter. The top indexing social media channels for content creation are uploading video, writing blogs and leaving a comment on a blog site.

The new super influencers are also the lead content generators. Social media both enables the sharing of influence and attracts those who wish to publish and have their opinion shared and they are utilising this opportunity to the maximum. They are also embracing the new channels of information such as RSS and podcasts to bypass conventional media channels and also listening to those that create more than established media.

This is a real world phenomenon, which has been demonstrated recently in the US presidential election in 2008. It has been widely credited that the creators or creative class, as they have been tagged, helped Obama get the democratic party nomination. The creators through prolific blogging, twittering, social networking and content creation generated massive influence helping to raise funds, getting people out to vote and changing the opinions of mainstream media.



Super Influencer social media usage

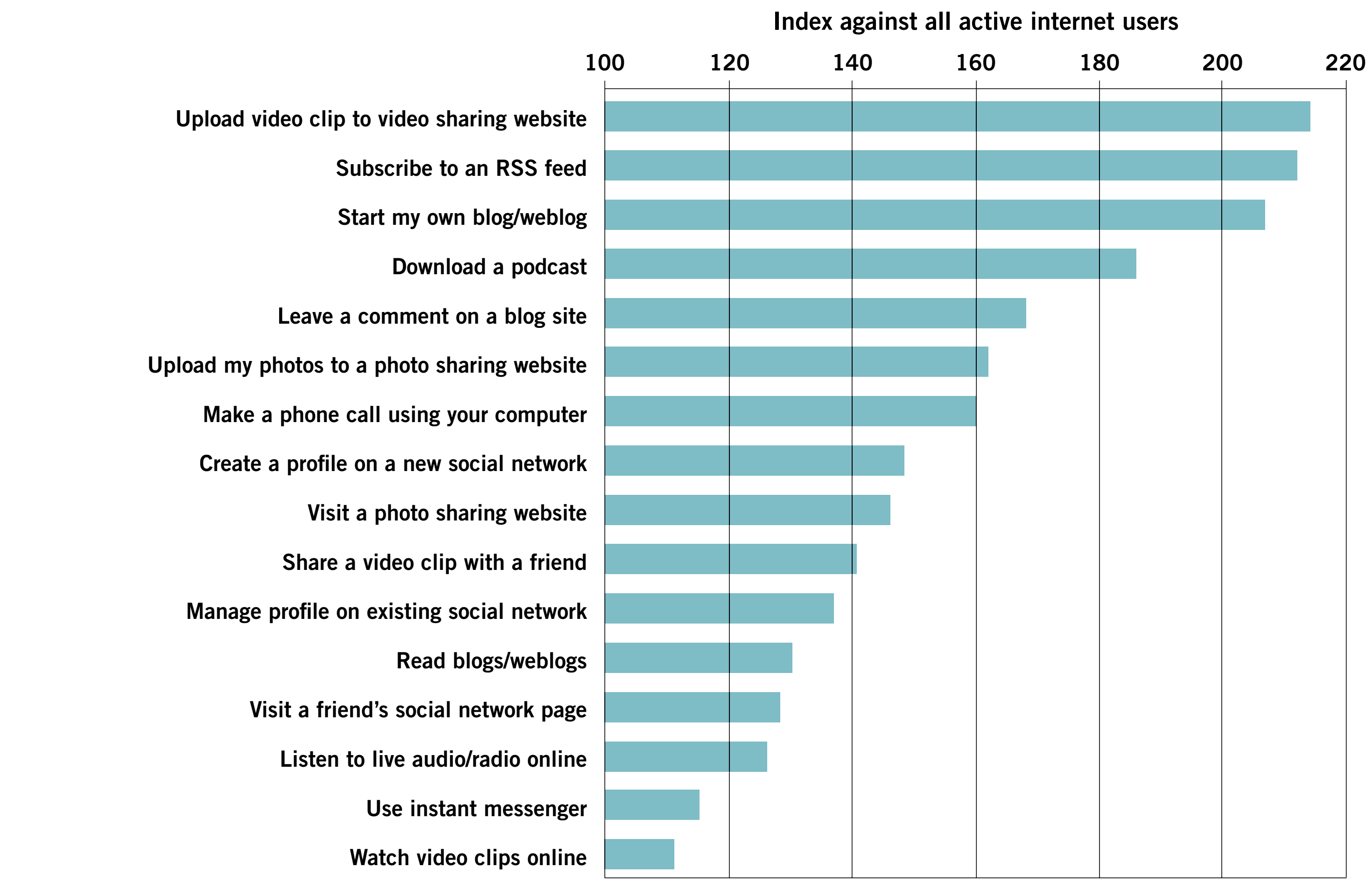


Figure 27: Super Influencer social media usage indexed against all respondents

The new super influencers

Super influencers are much more likely to be motivated by overt commercial messaging; celebrity endorsements and direct recommendations online and in the media. Most importantly, however, they are much more likely to want to share opinions because a brand is fashionable or their friends are not aware of the brand, basically they are more overt about trying to cultivate external opinion.

This is a new creative class who are going beyond the tools of casual influence to create rich and deep content in the form of videos, blogs and photos. They are exercising their right to create and spread influence and as the channels of peer to peer recommendation and the social media grow their role will become more important.

Super Influencer motivations

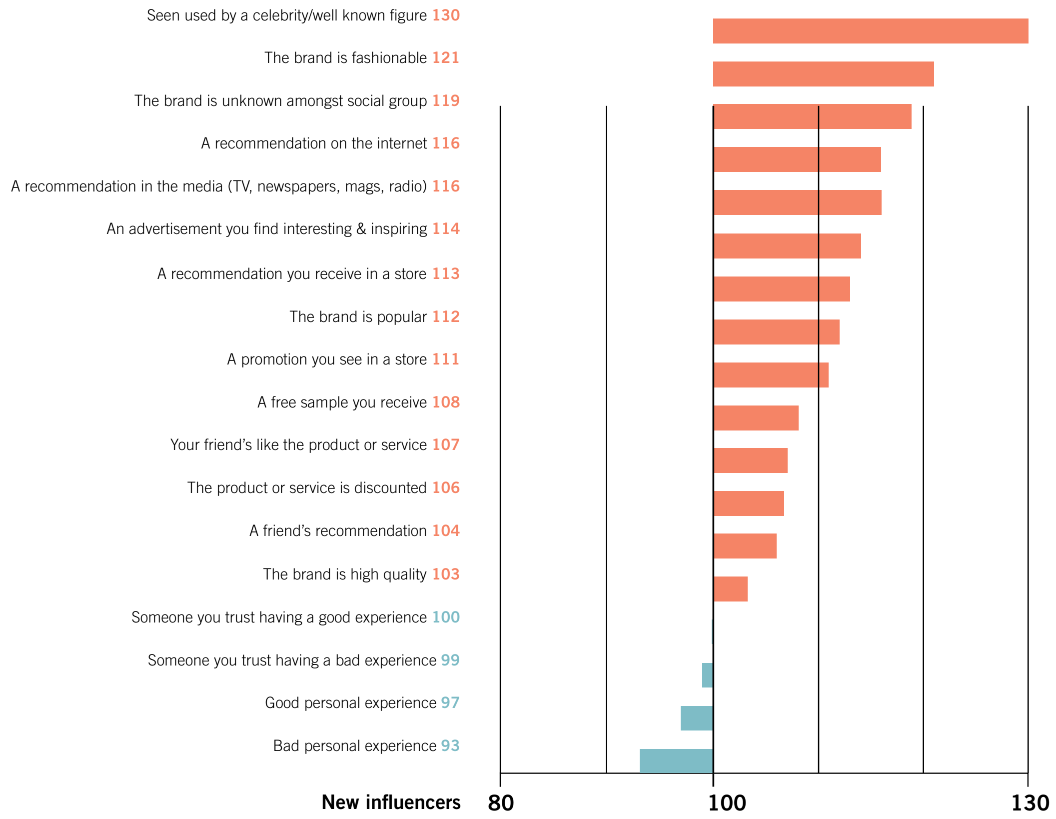


Figure 28: Super Influencer motivations to recommend indexed against all respondents

Super influencers are found across the globe , but there is a clear skew towards the emerging internet markets of Latin America and Asia Pacific. In Brazil a stunning 24% of active internet users fall into the super influencer category. They are followed by India, Mexico and Pakistan – demonstrating how internet users have found their voice thanks to their massive use of social media in these markets.

The leading developed web markets are Italy, Japan and Spain, where just under 8% of active users fall into super users. The Anglo markets of the US, UK and Australia have 5% of their users falling into the super influencer category. It's these differences that highlight how social media adoption and levels of content creation mirror and impact the rise of super influencers.

Super Influencers by country

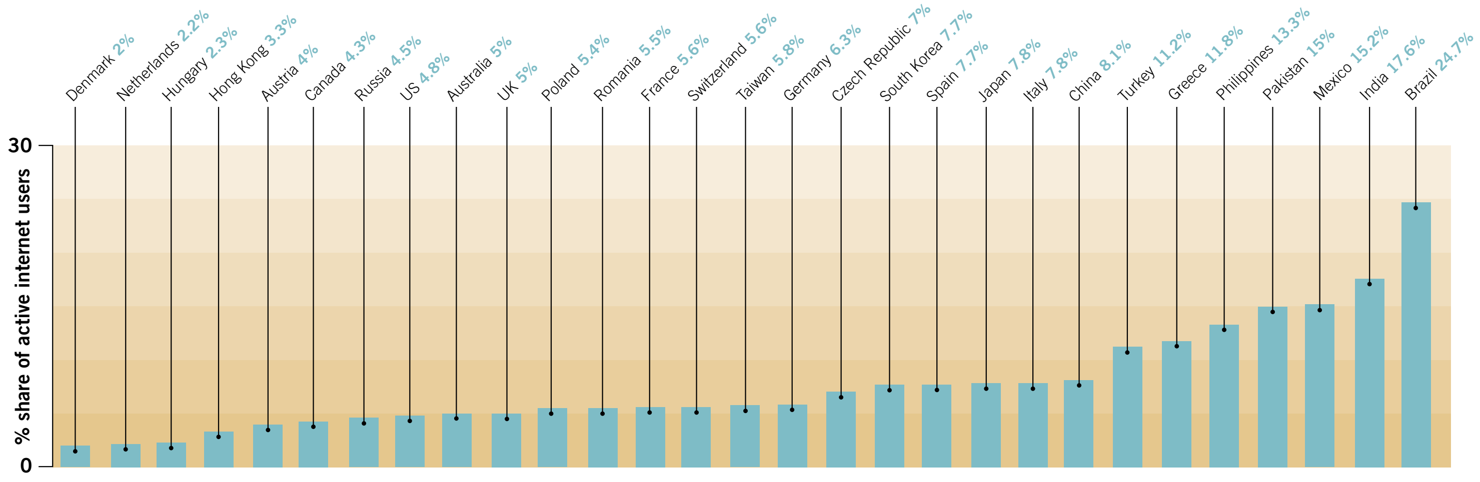


Figure 29: Super Influencers by country, share of active users

The impact: summary

The influence economy

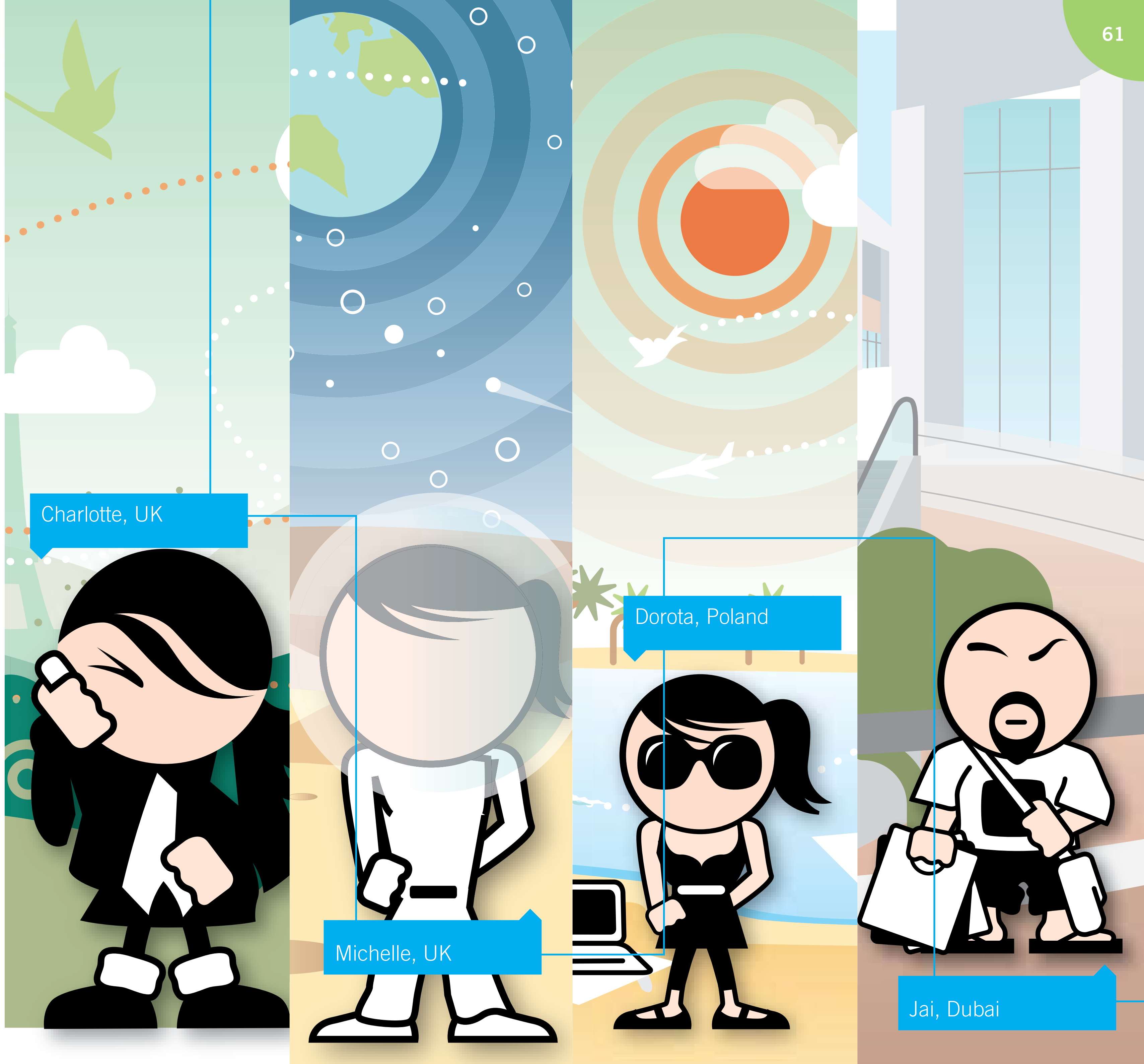
- Overall participation rates for contributing opinions, thoughts and content on products and brands is extremely high. This means all brands have to react to the influence economy – becoming more open, more transparent and more active in social and conversational media
- Different product categories have significantly different exposure to the power of the influencer landscape
- Even low interest, expert categories such as finance, real estate and insurance have high participation rates
- Music, films and technology are the categories most talked about online
- Holidays and travel are the most sought after for information
- Asia and emerging internet markets are leading the way in contributing opinion to the influencer economy

The democratisation of influence

- We are more likely to be influencers than receivers in the age of social media
- Consumers the world over now claim influence in a huge number of categories
- The key categories for broad influence are the same as the key categories for online recommendation with the exception of groceries and food

The new super influencers

- Are the most the active in social media
- They are much more likely to create and share rich content
- As the channels they contribute to continue to rise in importance so does their impact in the universe of influence
- This is the new creative class; the bloggers, the video uploaders, the photo sharers
- Their influence is now very real. Look at impact of bloggers on the professional media and the impact creators had on the election of Obama and the French elections



Final thoughts

New world of transparency

- There are no secrets in the new world of influence brands, products and services are under constant scrutiny
- The truth cannot be managed in the way it was when a few gatekeepers controlled the distribution of information
- The only path is honesty, openness and transparency. If you make a mistake in the new world of influence – you admit it and make good
- Control has to be loosened – let consumers discuss, share and interact with your brand
- All categories of goods and services are now impacted by the new economy of influence and have to respond to a world where consumer opinion shapes the agenda

Be part of the conversation

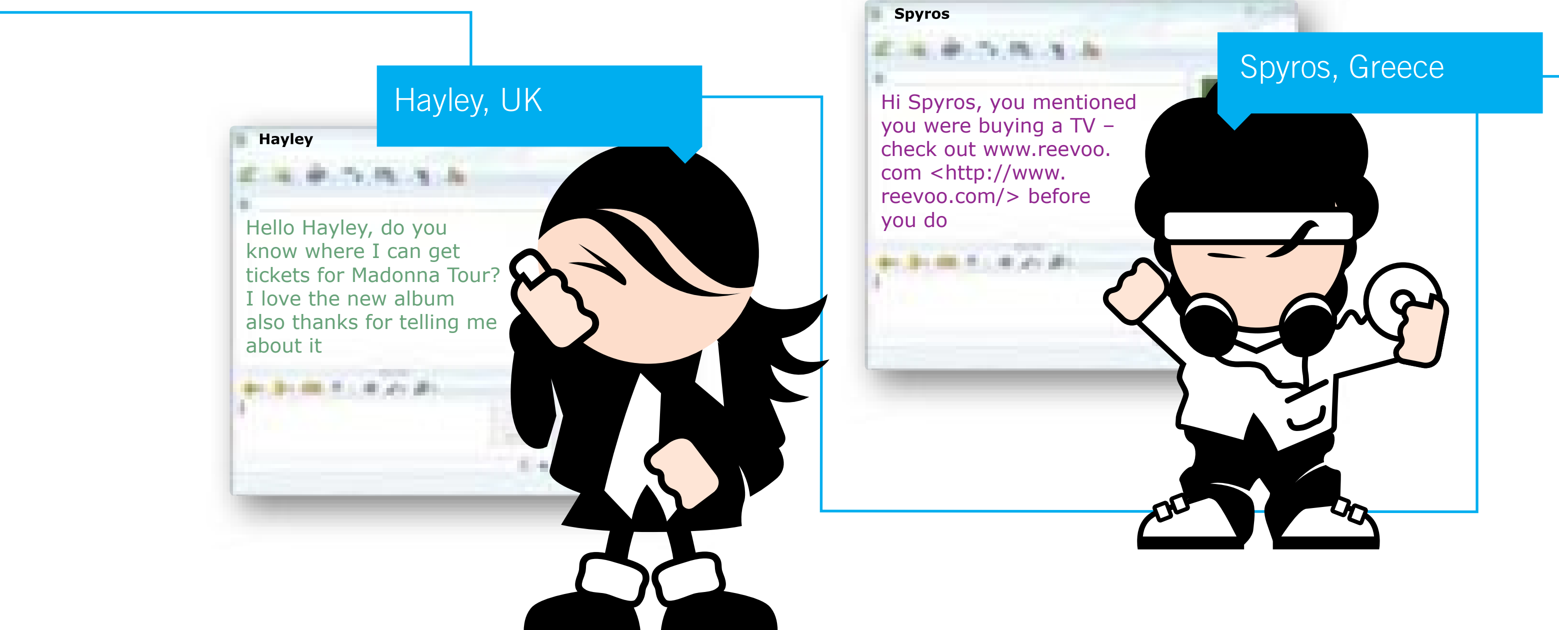
- The new world of influence needs a more conversational approach; advertising should encourage interaction, input and community
- This means having a blog, being in social networks, creating content such as photos, videos etc – generally being part of the conversation
- Exist inside the social media services that consumers spend their time in and source their influence from
- Don't be scared to advertise in bottom up conversational media that consumers are generating.
- Advertising has a big role in the future world of influence – it provides the revenue for most of the services that enable and cultivate consumer recommendation

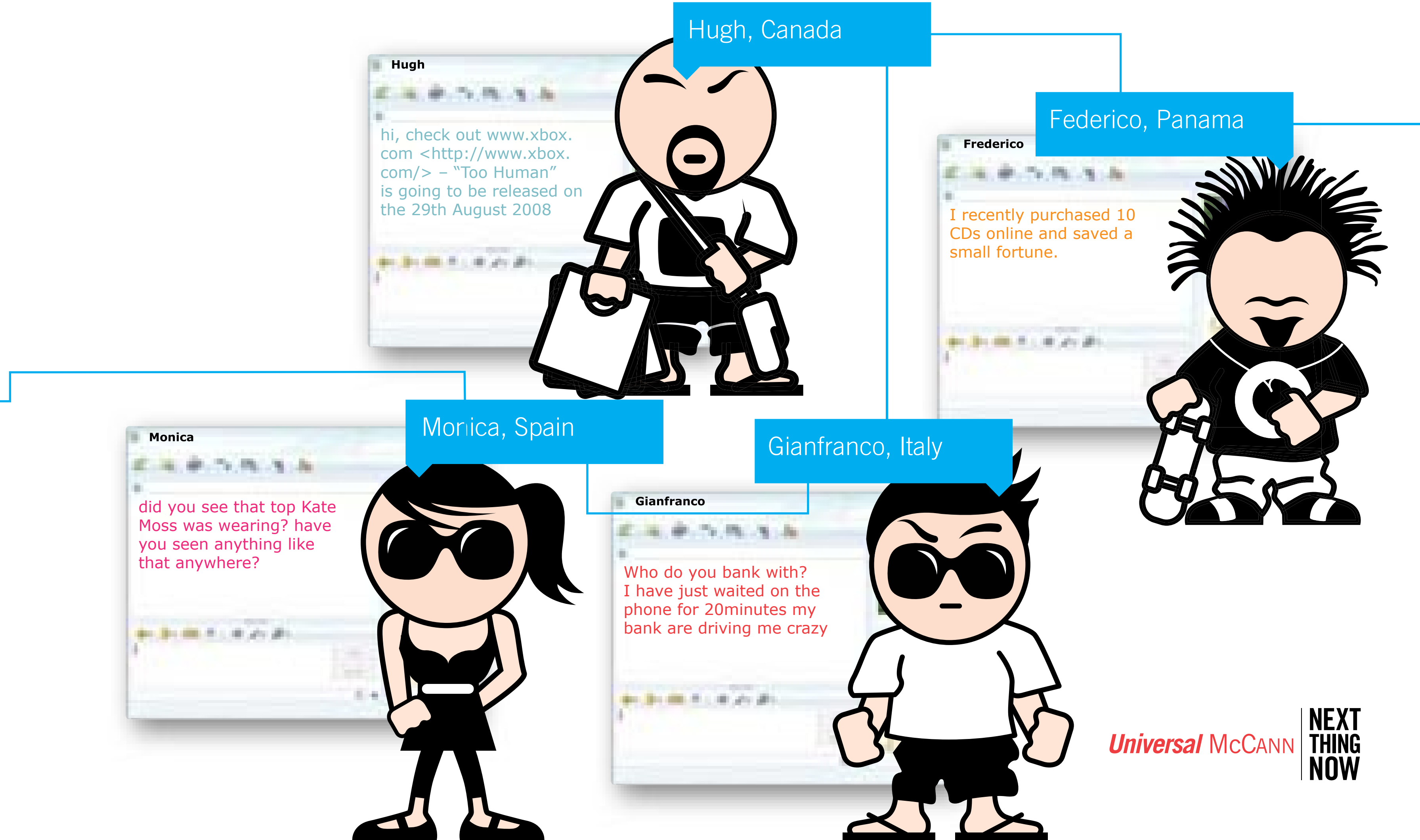
Everybody matters

- Today everybody should be considered an influencer to some extent – we all influence and receive to some degree
- Every target audience should be encouraged to share opinions and influence

Reaching out to the creators

- The creators are the new super influencers, the ones that make the most of the tools of social media. Bloggers, video creators, podcasters etc should be considered as some of the most powerful voices in the future





Moving forward

“When did we start trusting strangers?” is part of Universal McCann’s ongoing global research programme aimed at exploring the impacts of the massive changes in communications technologies.

This is the second in a series of in-depth studies. The first major in-depth study “Anytime, Anyplace” looked at mobile phones and portable technology, in particular demand for content , services and the role of advertising.

In parallel to the in-depth topics we also run a Social Media tracker to access the ongoing impact of social media. Wave 3 of this survey was released in March 2008 and Wave 4 is scheduled for quarter 4 2008.

All reports can be downloaded at **www.universalmccann.com**

For any questions on the research please contact **tom.smith@umww.com**

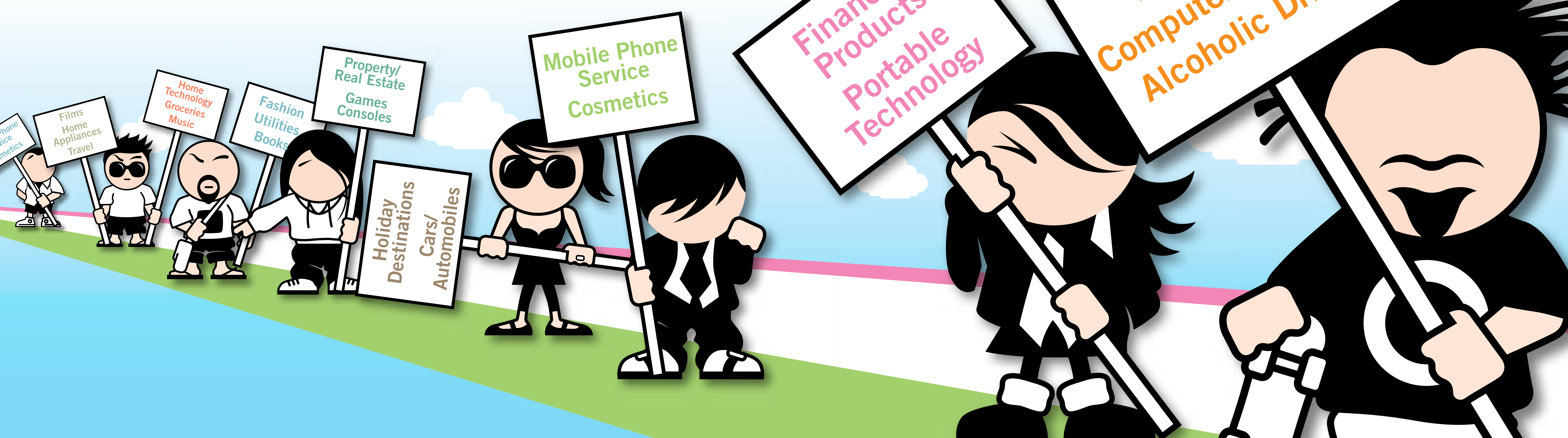
Tom Smith
Head of Consumer Futures EMEA

What does this mean for your business?

"When did we start trusting strangers?" is an in-depth study and there are many aspects of analysis that we are unable to cover in this report.

If you want to know how to operate in the new influencer landscape and what this means for your business please contact us at **consultancy@umww.com** and we can share the key results and impact for your brand or business:

- Who is the influencer in your business category?
- What marketing communications work for your influencers?
- What they do online?
- What they create, what they view, what they share?
- What does it mean for your marketing communications?
- What are the implications for your business?



Universal McCann
NEXT THING NOW