

CUSTOMER EXPERIENCE PARTNERS

Are Half of Your Advertising Dollars Wasted?



Retailer, John Wanamaker is often remembered as having said that he "knew half the money he spent on advertising was wasted, he just didn't know *which half!*" Much of the rest of the story tends to have been forgotten, but we have to assume that Wanamaker's uncertainty likely referred to: the messages, the creative executions, or the various audiences being targeted.

Now Nielsen (yes, the company behind the television ratings) having recently released their latest ***Global Trust in Advertising*** report, shows there's yet another reason that a great deal of advertising is wasted. Based on their survey of 28,000 internet respondents from 56 countries, Nielsen reports that:

- Over half of all consumers "don't trust much" or "don't trust at all" magazine ads (54%) and newspaper ads (53%) - what Wanamaker was running in his day.
- Television and radio fare nearly the same levels of mistrust (53% and 58% respectively).
- Online banner ads suffer a worse fate with 67% of consumers saying that they either "don't trust them much" or "at all".
- Finally, display ads on mobile phones and text ads on mobile phones pulled down the lowest levels of trust (among channels included in the study) suffering levels of mistrust of 67% and 71% respectively.

Do Consumers Trust Any Media?

All that might not be surprising given our inherent skeptical human nature, but it's also probably causing you to wonder, 'what do consumers trust?' The answer:

92% of consumers "completely" or "somewhat" trust recommendations from people they know.

70% "completely" or "somewhat" trust consumer opinions posted online.

Does this mean marketers should abandon print, television, and online and mobile advertising? Probably not. Especially when we consider that: 1) Consumers don't like to admit that they are being influenced by advertising, so under-reporting of its effects (in surveys of the type conducted by Nielsen) are common; 2) Before we can be concerned about gaining consumer trust we need to reach broad audiences and build brand awareness – tasks at which broadcast media (with broad reach) remain highly efficient; 3) The study was conducted online and therefore may underrepresent some consumer groups (possibly those less tech-savvy).

Another reason marketers won't be abandoning mass and online media in favor of promoting personal recommendations is that, in general, marketers continue to lack processes that allow them to meaningfully stimulate and manage personal communications, and then to objectively measure the results.

The Future Could Be Now

Customer Experience Partners is a leader in helping brands generate more of the *trusted*, positive word of mouth (both offline and online; private and public), that drives awareness, consideration and purchase intention. To learn more contact:

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