



GLOBAL TRUST IN ADVERTISING

**WINNING STRATEGIES FOR AN
EVOLVING MEDIA LANDSCAPE**

SEPTEMBER 2015

nielsen
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AN UNCOMMON SENSE
OF THE CONSUMER™

START WITH REACH, END WITH REACTION



AROUND THE WORLD

- Branded websites are the second-most-trusted advertising format, behind recommendations from friends and family.
- Two-thirds trust consumer opinions posted online—the third-most-trusted format.
- The proliferation of online ad formats has not eroded trust in traditional paid advertising channels. Roughly six-in-10 say they trust ads on TV (63%), in newspapers (60%) and in magazines (58%).
- Millennials show the highest levels of trust in 18 of 19 advertising formats/channels, including TV, newspapers and magazines.
- Humor resonates most strongly in Western markets; health-themed ads are rated highest in Latin America, and ads depicting real-life situations are most appealing in Asia-Pacific and Africa/Middle East.

Three factors form the foundation of a successful ad campaign: Reach, resonance and reaction. Reach the right audience, and ensure your advertising resonates positively so you can generate the desired reaction. Simple—right? Wrong.

The advertising landscape is evolving at an extraordinary pace as media proliferation and technology advances create new ways of connecting with consumers. We watch videos on phones, stream music on laptops and read newspapers on tablets—sometimes all at once. Needing to reach, resonate with, and get a reaction from the right audience in a world of choice can make it difficult to decide where to allot one's advertising dollars.

While there isn't one simple rule for maximizing advertising effectiveness in such a saturated market, understanding how consumers feel about the ads served on the various media platforms they use every day is a good place to start.

“While advertisers have started to follow consumers online, about a third of online advertising campaigns don't work—they don't generate awareness or drive any lift in purchase intent,” said Randall Beard, president, Nielsen Expanded Verticals. “As consumers are in control of how they consume content and interact with brands more than ever, understanding ad resonance across screens is the only way to successfully drive memorability and brand lift today.”

The Nielsen Global Trust in Advertising Survey polled 30,000 online respondents in 60 countries to gauge consumer sentiment about 19 paid, earned and owned advertising mediums. The results identify the ad formats resonating most strongly with consumers and those that have room to grow. Importantly, consumers around the world weigh in on the platforms most effective in driving action. Consumers also tell us the types of messages they most enjoy—and not surprisingly, they differ by generation.

ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on online respondents in 60 countries. While an online survey methodology allows for tremendous scale and global reach, it provides a perspective only on the habits of existing Internet users, not total populations. In developing markets where online penetration is still growing, audiences may be younger and more affluent than the general population of that country. In addition, survey responses are based on claimed behavior rather than actual metered data.

THE CIRCLE OF INFLUENCE IS WIDE

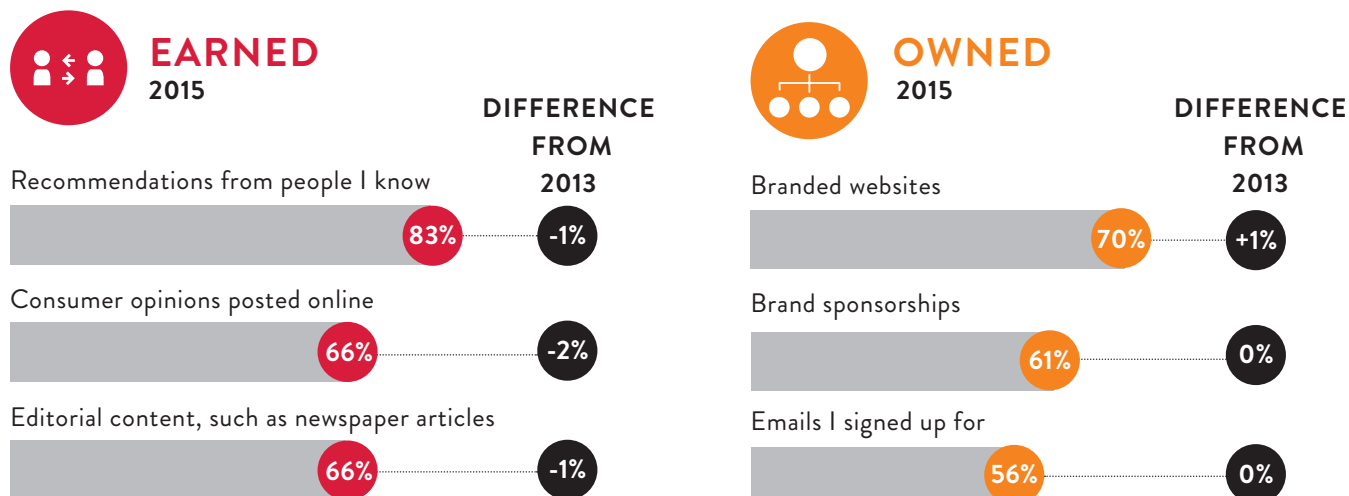
The most credible advertising comes straight from the people we know and trust. More than eight-in-10 global respondents (83%) say they completely or somewhat trust the recommendations of friends and family. But trust isn't confined only to those in our inner circle. In fact, two-thirds (66%) say they trust consumer opinions posted online—the third-most-trusted format.

“The power of digital ad formats cannot be underestimated, as they offer many advantages for achieving effective reach,” said Beard. “But few brands have mastered online word-of-mouth marketing techniques, the results of which can go viral very quickly. Passionate brand advocates can be powerful allies to amplify your message, but you need to give them a reason to talk. Evolve the relationship from a one-way sales pitch to a two-way conversation. And be transparent and accountable. Online brand advocates can quickly become adversaries with the power to damage credibility and reputation if things go wrong.”

Owned (brand-managed) online channels are also among the most trusted advertising formats. In fact, branded websites are the second-most-trusted format, with 70% of global respondents saying they completely or somewhat trust these sites. In addition, more than half of respondents (56%) trust emails they signed up for.

EARNED AND OWNED MEDIA REMAIN THE MOST TRUSTED AD FORMATS

PERCENT OF GLOBAL RESPONDENTS WHO COMPLETELY OR SOMEWHAT TRUST ADVERTISING FORMAT



Source: Nielsen Global Trust in Advertising Survey, Q1 2015 and Q1 2013

TRUST IN TRADITIONAL ADVERTISING IS STILL STRONG

Despite continued media fragmentation, the proliferation of online formats has not eroded trust in traditional (offline) paid channels. TV, newspapers and magazines remain trusted advertising formats. More than six-in-10 global respondents say they completely or somewhat trust TV ads (63%), up one percentage point from 2013. Slightly fewer trust ads in newspapers (60%) and magazines (58%), which fell one and two percentage points, respectively, from two years ago.

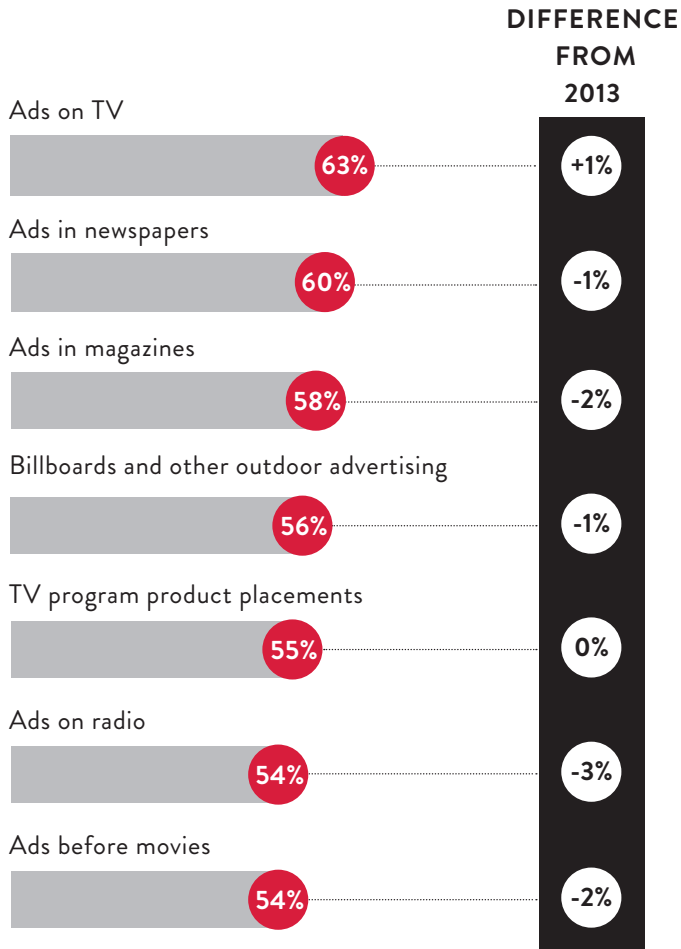
Trust in paid online and mobile ads has stayed relatively consistent since 2013. Almost half of global respondents say they completely or somewhat trust online video ads (48%, no change from 2013), ads served in search engine results (47%, down one percentage point) and ads on social networks (46%, down two percentage points). About four-in-10 global respondents trust online banner ads (42%, no change) and mobile advertising (43%, down two percentage points). Just over one-third say they trust mobile text ads (36%, down one percentage point).

“Brands have been steadily increasing their digital ad spend as they get increasingly comfortable with digital advertising and measurement, but TV formats still deliver the highest unduplicated reach (i.e., the ad reaches each audience member only once) of 85%-90%,” said Beard. “While digital ads can offer considerable benefits—such as precision-focused campaigns, in-flight adjustments and more creative options—moving from TV to an all-display digital plan is a bold move for any marketer. Consider a mix of both offline and online channels for the best ROI.”

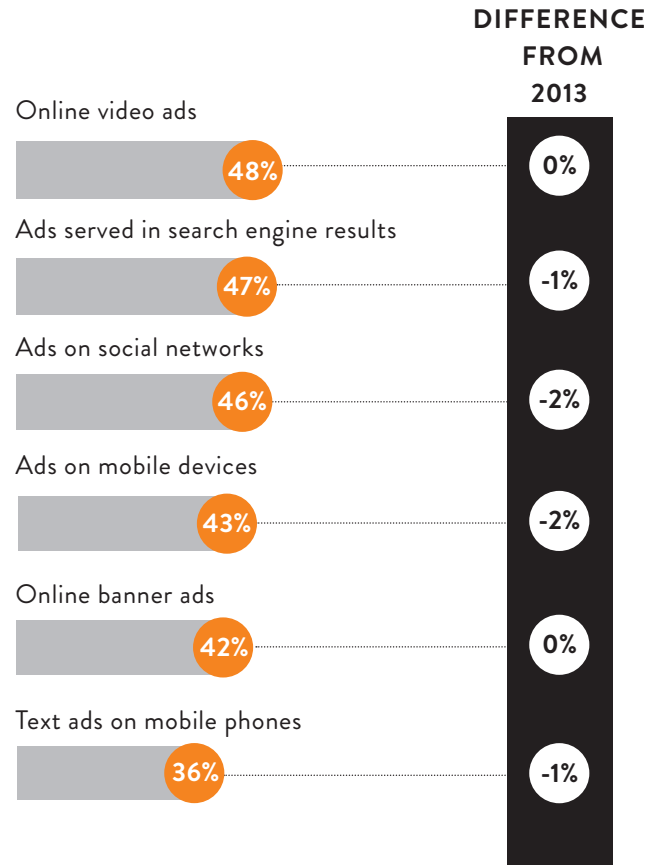
TRUST IN TRADITIONAL AND DIGITAL AD FORMATS REMAINS STABLE

PERCENT OF GLOBAL RESPONDENTS WHO COMPLETELY OR SOMEWHAT TRUST ADVERTISING FORMAT

PAID - TRADITIONAL 2015



PAID - ONLINE/MOBILE 2015



Source: Nielsen Global Trust in Advertising Survey, Q1 2015 and Q1 2013

ONLINE FORMATS MAKE IT EASY TO TAKE ACTION

Trust is one thing. Action is another.

Trust and action are clearly linked, but is credibility a prerequisite to purchasing? The data suggests not always: Even lower-trust formats can be extremely effective in driving consumers to the point of purchase.

The same percentage of global respondents that trust the opinions of friends and family say they take action on these opinions at least some of the time (83% each). Similarly, self-reported trust and action are the same for branded websites (70% each).

For many paid advertising formats, however, self-reported action actually exceeds trust. That is, more consumers say they take action than find the ad trustworthy. This is particularly true for online and mobile formats. Self-reported action exceeds trust by more than double digits for ads served in search engine results (47% trust; 58% take action), ads on social networks (46% trust; 56% take action) and text ads on mobile phones (36% trust; 46% take action).

“The formats where action exceeds trust by the greatest margin share a common attribute: Easy access to products/services,” said Beard. “You like it, you buy it. Online and mobile formats make it exceptionally easy for consumers to live in the moment and take quick action on the advertisement. Often, consumers simply click a link and they’re directed to a place where they can receive more information or purchase the item.”

ACTION EXCEEDS TRUST FOR MANY ADVERTISING FORMATS

PERCENT OF GLOBAL RESPONDENTS WHO COMPLETELY OR SOMEWHAT TRUST ADVERTISING FORMAT
 PERCENT WHO ALWAYS OR SOMETIMES TAKE ACTION ON FORMAT

● TRUST ● ACTION

ACTION EXCEEDS TRUST

CONSUMER OPINIONS
POSTED ONLINE



ADS ON TV



ADS IN NEWSPAPERS



EMAILS I SIGNED UP FOR



BRAND SPONSORSHIPS



ADS IN MAGAZINES



TV PROGRAM PRODUCT
PLACEMENTS



BILLBOARDS AND OTHER
OUTDOOR ADVERTISING



ADS SERVED IN SEARCH
ENGINE RESULTS



ADS ON SOCIAL
NETWORKS



ONLINE VIDEO ADS



ONLINE BANNER ADS



ADS ON MOBILE
DEVICES



TEXT ADS ON MOBILE
PHONES



ACTION IS CONSISTENT WITH TRUST

RECOMMENDATIONS
FROM PEOPLE I KNOW



BRANDED WEBSITES



ADS ON RADIO

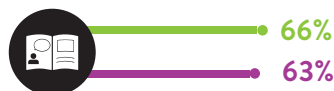


ADS BEFORE MOVIES



TRUST EXCEEDS ACTION

EDITORIAL CONTENT,
SUCH AS NEWSPAPER
ARTICLES



TRUST AND ACTION LEVELS ARE HIGHEST IN DEVELOPING REGIONS

Around the world, trust levels for each type of advertising format are highest in developing markets. Latin America leads the way, demonstrating the highest levels of trust for 10 of 19 advertising formats, with many of these representing traditional formats. Africa/Middle East shows the highest reported levels for seven of 19 formats, with these representing a mix of both online and offline formats. Finally, Asia-Pacific reports the highest levels of trust for three formats, including both ads on mobile devices and mobile text ads. Respondents in these regions were also more likely to say they take action on advertising formats at least some of the time.

European respondents are most skeptical about advertising, with the lowest reported levels of trust for all 19 formats. They're also least likely to say they take action on nearly all (18 of 19) advertising formats.

In North America, the results are mixed. While respondents in the region report trust levels below the global average for nine of 19 advertising formats—including, most notably, branded websites—they actually exceed the global average for nearly as many channels (eight of 19). And this is the only region where trust is consistently (and considerably) higher than self-reported action.

REGION WITH HIGHEST LEVEL OF TRUST IN SPECIFIED ADVERTISING FORMAT



FORMAT	ASIA-PACIFIC	AFRICA/MIDDLE EAST	LATIN AMERICA
RECOMMENDATIONS FROM PEOPLE I KNOW			✓
BRANDED WEBSITES	✓		
CONSUMER OPINIONS POSTED ONLINE		✓	
EDITORIAL CONTENT, SUCH AS NEWSPAPER ARTICLES			✓
ADS ON TV			✓
BRAND SPONSORSHIPS		✓	
ADS IN NEWSPAPERS			✓
ADS IN MAGAZINES			✓
BILLBOARDS AND OTHER OUTDOOR ADVERTISING		✓	
EMAILS I SIGNED UP FOR			✓
TV PROGRAM PRODUCT PLACEMENTS		✓	✓
ADS ON RADIO			✓
ADS BEFORE MOVIES			✓
ONLINE VIDEO ADS		✓	
ADS SERVED IN SEARCH ENGINE RESULTS			✓
ADS ON SOCIAL NETWORKS		✓	
ADS ON MOBILE DEVICES	✓		
ONLINE BANNER ADS		✓	
TEXT ADS ON MOBILE PHONES	✓		

Source: Nielsen Global Trust in Advertising Survey, Q1 2015

TRUST IS HIGHEST IN DEVELOPING REGIONS

PERCENT OF RESPONDENTS WHO COMPLETELY OR SOMEWHAT TRUST ADVERTISING FORMAT BY REGION



	ASIA-PACIFIC	EUROPE	AFRICA/MIDDLE EAST	LATIN AMERICA	NORTH AMERICA
RECOMMENDATIONS FROM PEOPLE I KNOW	85%	78%	85%	88%	82%
BRANDED WEBSITES	78%	54%	76%	75%	61%
EDITORIAL CONTENT, SUCH AS NEWSPAPER ARTICLES	71%	52%	71%	74%	63%
CONSUMER OPINIONS POSTED ONLINE	70%	60%	71%	63%	66%
ADS ON TV	68%	45%	70%	72%	63%
BRAND SPONSORSHIPS	67%	43%	73%	70%	57%
ADS IN NEWSPAPERS	63%	44%	69%	72%	65%
ADS IN MAGAZINES	62%	43%	65%	70%	62%
BILLBOARDS AND OTHER OUTDOOR ADVERTISING	60%	40%	64%	63%	57%
EMAILS I SIGNED UP FOR	60%	41%	59%	65%	64%
TV PROGRAM PRODUCT PLACEMENTS	60%	35%	64%	64%	53%
ADS BEFORE MOVIES	59%	38%	57%	62%	56%
ADS ON RADIO	54%	41%	62%	68%	60%
ONLINE VIDEO ADS	53%	33%	55%	52%	47%
ADS ON MOBILE DEVICES	50%	26%	49%	48%	39%
ADS ON SOCIAL NETWORKS	50%	32%	57%	54%	42%
ADS SERVED IN SEARCH ENGINE RESULTS	50%	36%	52%	58%	49%
ONLINE BANNER ADS	48%	27%	49%	46%	41%
TEXT ADS ON MOBILE PHONES	42%	22%	41%	39%	37%

Source: Nielsen Global Trust in Advertising Survey, Q1 2015

TRADITIONAL FORMATS RESONATE STRONGLY WITH MILLENNIALS

How does age impact trust and willingness to take action? Not in the ways you might expect.

Not surprisingly, Millennials (age 21-34), who came of age with the Internet, have the highest levels of trust in online and mobile formats, followed closely by Generation X (age 35-49). But it's not just online and mobile advertising formats where Millennials exceed the average. They also show the highest levels of trust in 18 of 19 advertising formats/channels, including TV, newspapers and magazines, and they're also the most willing to take action on 16 of 19 formats.

“Millennials consume media differently than their older counterparts, exercising greater control over when and where they watch, listen and read content—and on which device,” said Beard. “But even if they rely less heavily on traditional channels, their trust and willingness to act on these formats remains high. While an integrated, multi-channel approach is best across all generations, it carries even more importance when reaching Millennials.”



MILLENNIALS HAVE HIGHEST LEVEL OF TRUST IN NEARLY ALL ADVERTISING FORMATS

PERCENT OF RESPONDENTS WHO COMPLETELY OR SOMEWHAT TRUST ADVERTISING FORMAT BY GENERATION



	GEN Z (AGES 15-20)	MILLENNIALS (AGES 21-34)	GEN X (AGES 35-49)	BOOMERS (AGES 50-64)	SILENT GEN (AGES 65+)
RECOMMENDATIONS FROM PEOPLE I KNOW	83%	85%	83%	80%	79%
BRANDED WEBSITES	72%	75%	70%	59%	50%
CONSUMER OPINIONS POSTED ONLINE	63%	70%	69%	58%	47%
EDITORIAL CONTENT, SUCH AS NEWSPAPER ARTICLES	68%	68%	66%	60%	55%
ADS ON TV	58%	67%	64%	55%	48%
BRAND SPONSORSHIPS	62%	66%	62%	52%	42%
ADS IN MAGAZINES	57%	62%	61%	50%	46%
ADS IN NEWSPAPERS	57%	62%	62%	55%	53%
ADS BEFORE MOVIES	54%	60%	55%	42%	31%
BILLBOARDS AND OTHER OUTDOOR ADVERTISING	59%	60%	57%	46%	38%
TV PROGRAM PRODUCT PLACEMENTS	51%	60%	56%	42%	39%
EMAILS I SIGNED UP FOR	54%	57%	56%	53%	54%
ADS ON RADIO	51%	55%	57%	49%	42%
ONLINE VIDEO ADS	45%	53%	50%	37%	27%
ADS SERVED IN SEARCH ENGINE RESULTS	43%	52%	50%	41%	33%
ADS ON SOCIAL NETWORKS	45%	51%	47%	35%	26%
ADS ON MOBILE DEVICES	42%	48%	45%	31%	20%
ONLINE BANNER ADS	36%	47%	43%	34%	25%
TEXT ADS ON MOBILE PHONES	32%	41%	38%	27%	18%

Source: Nielsen Global Trust in Advertising Survey, Q1 2015

ADS THAT DRIVE EMOTION MAKE AN IMPACT

Successful marketing campaigns require more than identifying the right channel for reaching consumers. It's also about delivering the right message. Nielsen Consumer Neuroscience research shows highly successful ads score well on three dimensions: attention, conversion to long-term memory and emotional engagement. How can marketers ensure their ads stand out on these factors? A key element is knowing how to connect their audience with messages that resonate most.

Ads depicting real-life situations resonate most powerfully, selected by 44% of global respondents. Consumer neuroscience research on learning and memory shows that employing familiar themes is extremely useful in driving memorability.

“Best-in-class ads share several characteristics: they’re relatable, follow an upbeat and simple storyline, use novel and striking imagery and make an emotional connection,” said Beard.

“These characteristics provide a strong foundation for creative development, but there’s no ‘one-size-fits all’ formula. What’s effective in one country or region won’t necessarily work well in others. A deep understanding of local preferences is vital.”

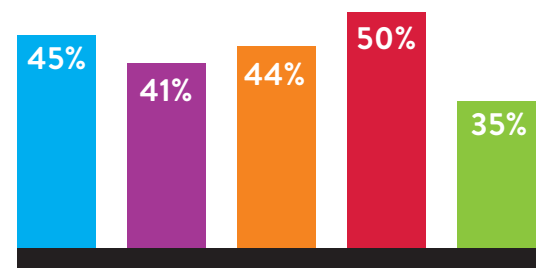
Indeed, there are notable regional differences in how messages resonate across the world. Humor resonates more strongly in Western markets. It tops the list of most appealing message types in Europe and North America, cited by 51% and 50% of respondents, respectively, yet doesn’t rate higher than third in any other region (respondents in Asia-Pacific and Latin America rate it fourth). Health-themed ads resonate strongly in Latin America—in fact, they top the list. Ads focusing on family also have strong appeal in Latin America as well as Africa/Middle East.

HUMOR RESONATES MOST STRONGLY IN DEVELOPED MARKETS, REAL-LIFE SITUATIONS AND HEALTH THEMES ARE MORE APPEALING IN DEVELOPING REGIONS

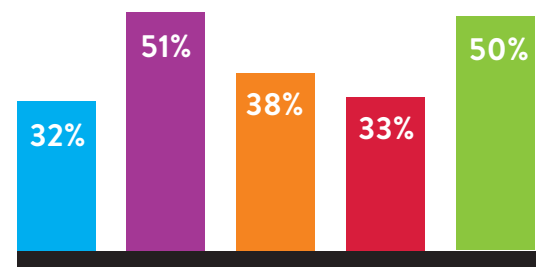
ADVERTISING THEMES THAT RESONATE MOST



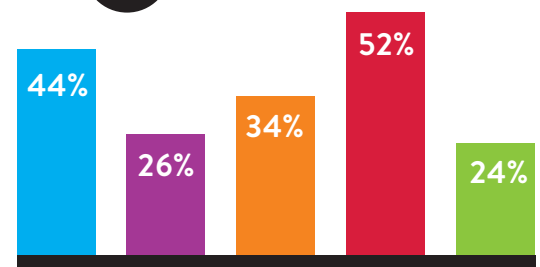
REAL-LIFE SITUATIONS



HUMOROUS



HEALTH-THEMED

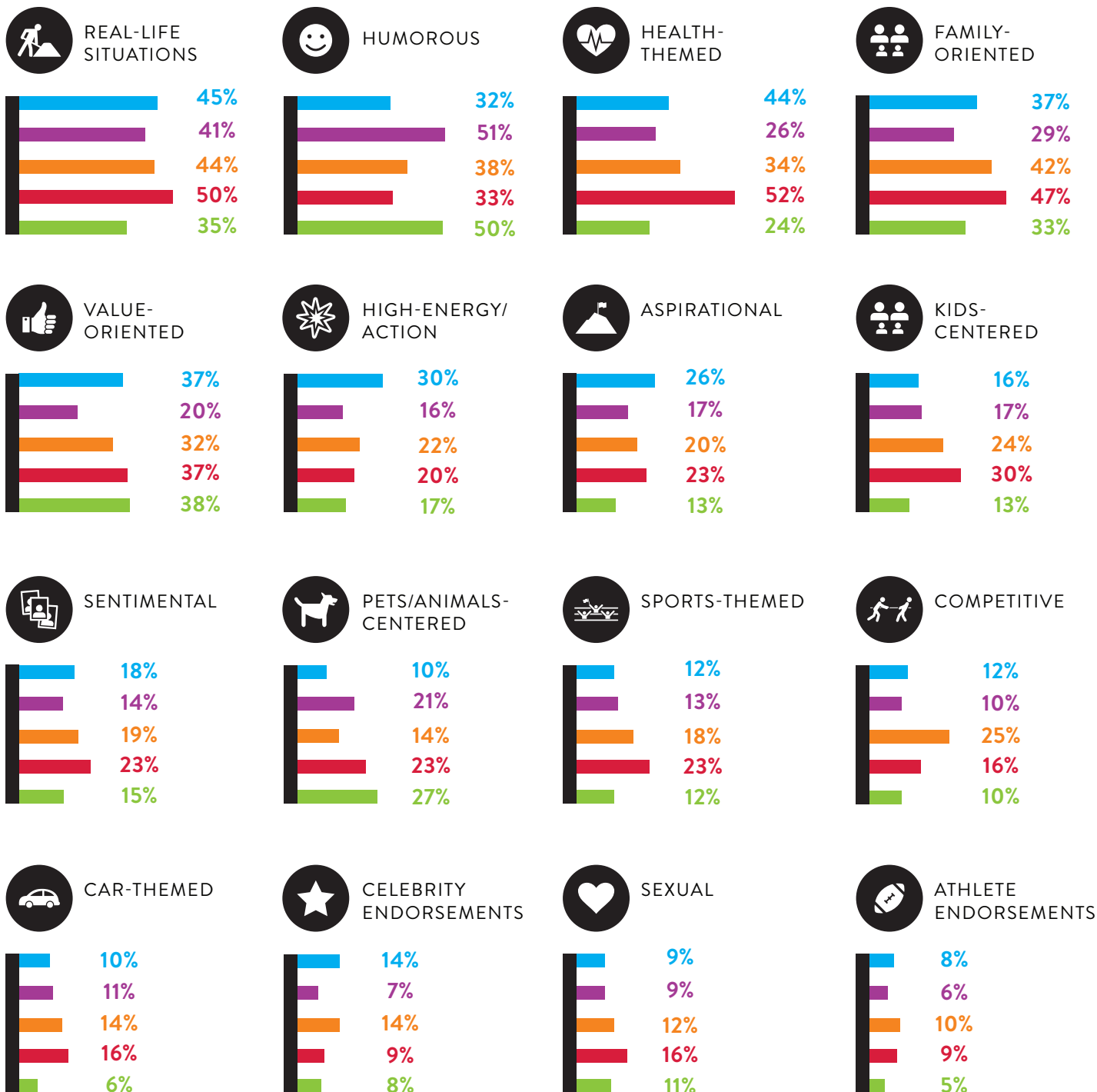


Source: Nielsen Global Trust in Advertising Survey, Q1 2015

ADVERTISING THEME APPEAL DIFFERS AROUND THE WORLD

ADVERTISING THEMES THAT RESONATE MOST

● ASIA - PACIFIC ● EUROPE ● AFRICA/MIDDLE EAST ● LATIN AMERICA ● NORTH AMERICA



Source: Nielsen Global Trust in Advertising Survey, Q1 2015

SOME THEMES RESONATE WELL ACROSS GENERATIONS, WHILE OTHERS APPEAL TO A SMALLER NICHE

Trying to connect with consumers emotionally? Start by considering whom you're trying to reach.

Some messages resonate well across every generation. Ads depicting real-life situations are a good example—they appeal to roughly four-in-10 respondents in every age group. Nielsen TV Brand Effect research in the U.S. has also shown that relatable characters are important to both older and younger consumers. And while humor resonates well across the generations, the preferred style of humor can differ dramatically. Older consumers prefer clever, light-hearted humor, while younger consumers prefer offbeat, sarcastic and slapstick humor. Health- and value-oriented ads are also rated highly by all five generations.

Other messages, however, have niche appeal. High-energy/action, aspirational themes and celebrity endorsements resonate more strongly with Generation Z (ages 15-20) and Millennial (ages 21-34) audiences. Meanwhile, pet-centered ads have greater appeal among older consumers.

“The importance of understanding your audience and catering to their tastes cannot be overestimated,” said Beard. “Regardless of the delivery format, the most successful ads are those that speak to the sentiment of the audience.”

ADVERTISING THEME APPEAL DIFFERS BY GENERATION

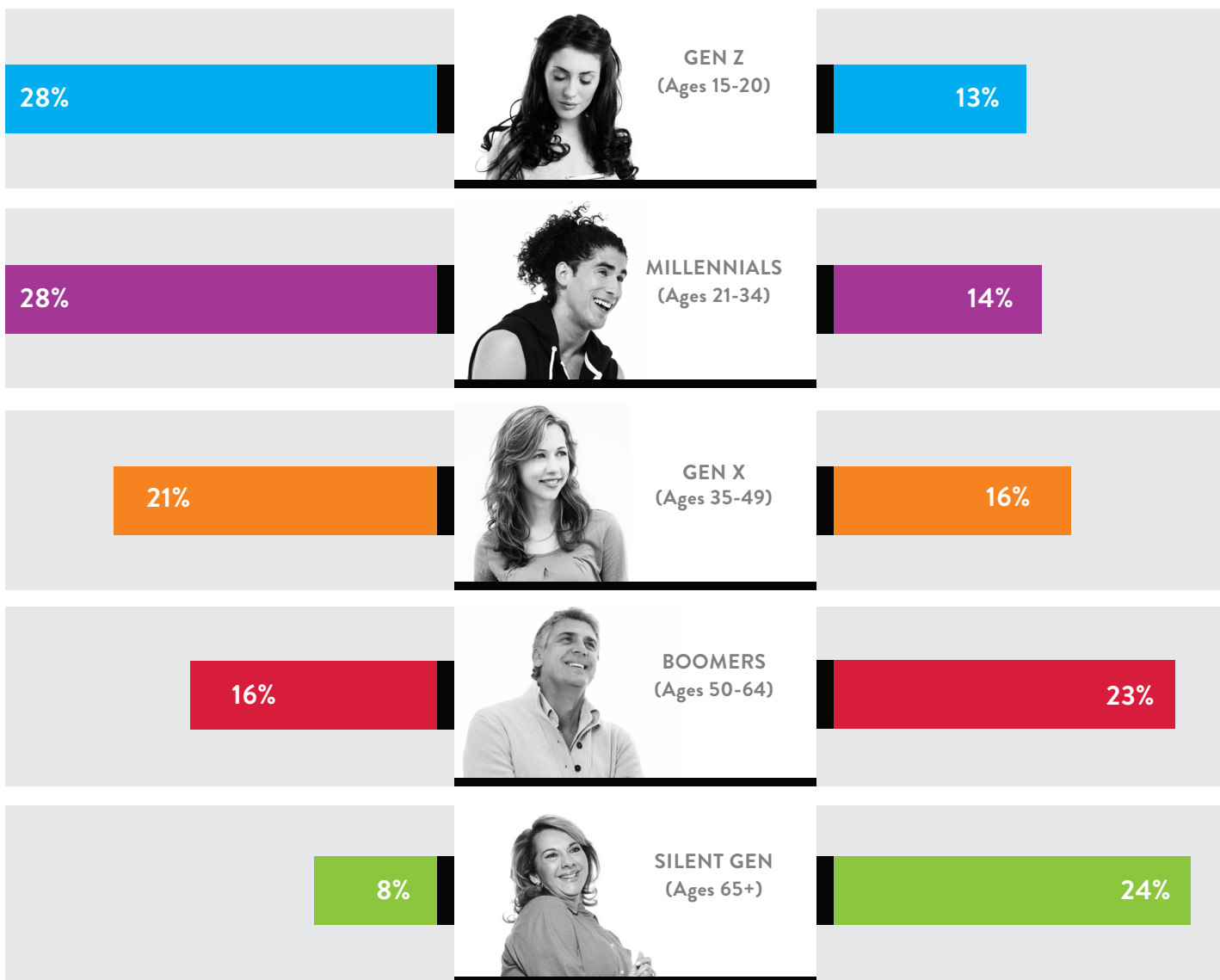
ADVERTISING THEMES THAT RESONATE MORE WITH YOUNGER OR OLDER RESPONDENTS



**HIGH-ENERGY/
ACTION**



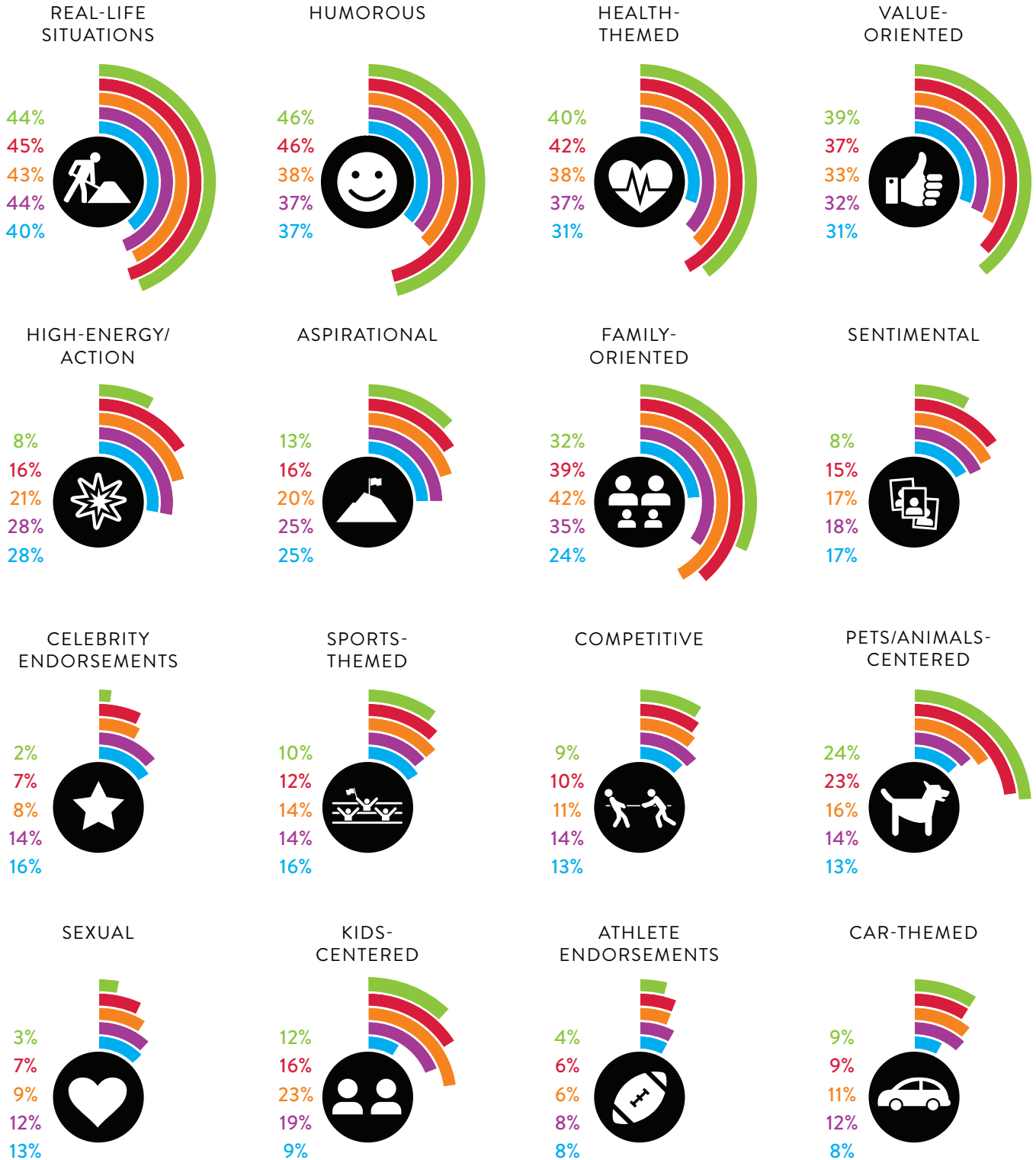
**PETS/ANIMALS-
CENTERED**



Source: Nielsen Global Trust in Advertising Survey, Q1 2015

SOME THEMES RESONATE ACROSS GENERATIONS; OTHERS HAVE NICHE APPEAL

● GEN Z (AGES 15-20) ● MILLENNIALS (AGES 21-34) ● GEN X (AGES 35-49)
 ● BOOMERS (AGES 50-64) ● SILENT GEN (AGES 65+)



Source: Nielsen Global Trust in Advertising Survey, Q1 2015

MAKE DIGITAL AN INTEGRAL PART OF YOUR ADVERTISING STRATEGY

Reaching the right audience, having your message resonate positively and driving the desired customer reaction is required for advertising success—no matter the medium. There is considerable upside potential to using a digital strategy, but using it effectively is critical to success:

- **Don't retrofit an offline strategy.** Digital mediums offer vastly more creative options than linear TV ads. Match your brand and marketing strategy and your creative choices to the medium—all of which might be different from your offline strategy.
- **Create precision-focused campaigns.** Digital advertising has the advantage of reaching audiences based on almost any variable—demographics, buyer behavior, intent, etc. You can even use your first-party customer data to build “look alike” models that will allow you to find similar (and therefore promising) digital audiences.
- **Get audience guarantees.** About 50% of digital ad impressions aren't viewable (i.e., less than 50% of their pixels are in view for a minimum of one second or two seconds for video). Most digital publishers offer audience guarantees to ensure your digital ad buy is really reaching your intended audience. Don't go all-digital without audience guarantees.
- **Match your metric to your key performance indicator.** Ensure that your success metric appropriately measures the actual objective that you're trying to achieve. If your campaign is all about driving awareness, measure brand lift in awareness, not click-through rates. If you're trying to reach new buyers, measure sales lift amongst new buyers, not total buyers. Even the most perfectly constructed media plan will suffer if you're using the wrong metrics.
- **Make in-flight adjustments.** Measure brand lift or sales performance or both in flight (while campaigns are in process), and make adjustments to optimize performance before the campaign ends. Rotate creative units based on performance, cap exposure frequency where response flattens out, and focus spending on sites that drive higher lift.
- **Maximize brand impact with a mix of digital and traditional.** Cross-platform ad exposure (the same person seeing both your TV and digital ads) drives greater memorability and brand lift than single platform exposure, even when adjusted for frequency.

COUNTRIES IN THE STUDY

EUROPE	
MARKET	INTERNET PENETRATION
Austria	87%
Belgium	90%
Bulgaria	59%
Croatia	71%
Czech Republic	78%
Denmark	97%
Estonia	83%
Finland	97%
France	83%
Germany	87%
Greece	60%
Hungary	75%
Ireland	79%
Israel	76%
Italy	59%
Latvia	75%
Lithuania	69%
Netherlands	96%
Norway	95%
Poland	67%
Portugal	65%
Romania	51%
Russia	61%
Serbia	65%
Slovakia	82%
Slovenia	76%
Spain	75%
Sweden	95%
Switzerland	89%
Turkey	57%
United Kingdom	90%
Ukraine	42%

ASIA-PACIFIC	
MARKET	INTERNET PENETRATION
Australia	94%
China	47%
Hong Kong	81%
India	20%
Indonesia	28%
Japan	86%
Malaysia	67%
New Zealand	95%
Philippines	41%
Singapore	80%
South Korea	92%
Taiwan	80%
Thailand	30%
Vietnam	44%

LATIN AMERICA	
MARKET	INTERNET PENETRATION
Argentina	75%
Brazil	54%
Chile	67%
Colombia	62%
Mexico	49%
Peru	42%
Venezuela	50%

MIDDLE EAST/AFRICA	
MARKET	INTERNET PENETRATION
Egypt	53%
Pakistan	15%
Saudi Arabia	67%
South Africa	52%
United Arab Emirates	96%

NORTH AMERICA	
MARKET	INTERNET PENETRATION
Canada	95%
United States	87%

Source: Internet World Stats, June 30, 2014

ABOUT THE NIELSEN GLOBAL SURVEY

The Nielsen Global Trust in Advertising Survey was conducted between Feb. 23 and March 13, 2015, and polled more than 30,000 consumers in 60 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample has quotas based on age and sex for each country based on its Internet users and is weighted to be representative of Internet consumers. It has a margin of error of $\pm 0.6\%$. This Nielsen survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60% Internet penetration or an online population of 10 million for survey inclusion. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, was established in 2005.

ABOUT NIELSEN

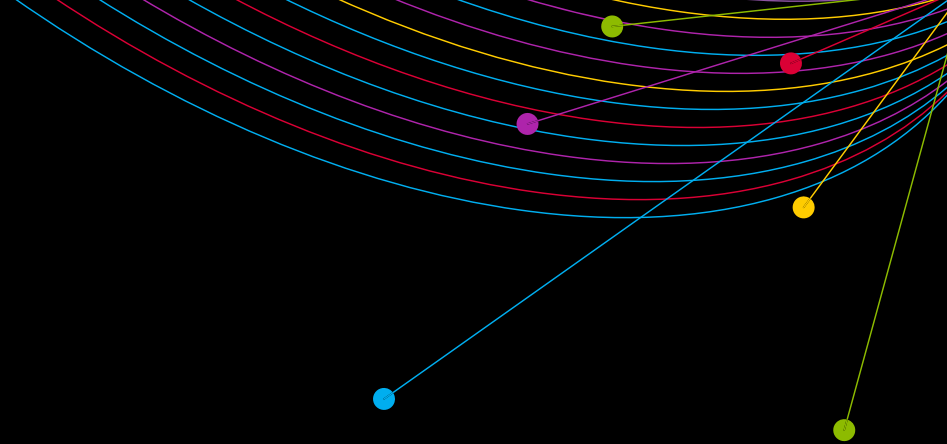
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